The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, JULY 12, 1928



ACHIEVEMENT

Organized fire prevention work has won national recognition for the Philadelphia Chamber of Commerce.

The "White Fireman" is given large credit for this achievement. He is being recognized by property-owners—large and small—as a factor of importance in fire prevention activities.

The "White Fireman" was created by the Insurance Company of North America to symbolize the loss-prevention service of insurance companies. He is being featured in its national magazine advertising.

As such, the "White Fireman" is reflecting a very desirable prestige for North America Agents, who benefit directly from the good-will he creates.

Insurance Company of North America

PHILADELPHIA

and the

Indemnity Ins. Co. of North America

write practically every form of insurance except life



1880 Of all the inventions of Thos. A. Edison, the incandescent light has done more, perhaps, to revolutionize industry and add to the comfort and convenience of earth's millions than any other product of the famous inventor's genius. Certainly it required more careful research and experimenting to bring the light to its final perfected form than any other Edison invention. The new lamp was first announced in 1879 but was not publicly exhibited until 1880. It met with immediate and remarkable success and for some years the inventor was compelled to devote a large portion of his time to improving the lamp itself and the dynamos for generating the current.

Thomas Alva Edison was born in Milan, Ohio, on February 11, 1847 and in his eighty-second year continues with unabated vigor his life work of adding to the world's store of scientific knowledge.

In 1880 the capital stock of the Fireman's Fund was increased from $300,000 to $750,000. The assets were $1,160,017 and there was a surplus of $83,536. Although conditions were not good and many companies were forced to retire, the Fireman's Fund forged ahead and every year from 1880 to 1898 showed at least a small increase in surplus.

Fireman's Fund Insurance Company

FIRE, AUTOMOBILE AND MARINE INSURANCE

SAN FRANCISCO
CHICAGO NEW YORK
BOSTON ATLANTA

The Fireman's Fund, Home Fire and Marine and Occidental Insurance Company are good companies to represent.

THE NATIONAL UNDERWRITER. Published weekly by The National Underwriter Company. Office of publication, 175 W. Jackson Blvd., Chicago, Ill. Thirty-second year. No. 28. Thursday, July 12, 1928. $4.00 a year, 20 cents per copy. Entered as second class matter April 28, 1928, at post office at Chicago, Illinois, under Act of March 3, 1879.

XUM

CORROON & REYNOLDS, Inc.

MANAGER

92 WILLIAM STREET

NEW YORK CITY, N. Y.

AMERICAN EQUITABLE ASSURANCE CO., OF NEW YORK

December 31, 1927, Statement

ASSETS	LIABILITIES	CAPITAL	SURPLUS TO POLICYHOLDERS
$6,000,569.04	$3,595,004.53	$1,000,000.00	$2,405,564.51

KNICKERBOCKER INSURANCE CO., OF NEW YORK

December 31, 1927, Statement

$4,105,633.66	$2,179,211.12	$1,000,000.00	$1,926,422.54

BROOKLYN FIRE INSURANCE CO.

March 31, 1928, Statement

After adjustment and giving effect to additional Capital Surplus and Reserve Funds paid into Treasury of the Company May 21, 1928

$4,762,920.03	$2,262,920.03	$1,000,000.00	$2,500,000.00

MERCHANTS AND MANUFACTURERS FIRE INSURANCE CO.

OF NEWARK, N. J.

(CHARTERED 1849)

March 31, 1928, Statement

After adjustment and giving effect to additional Capital Surplus and Reserve Funds paid into Treasury of the Company since that date

$4,726,524.78	$2,226,524.78	$1,000,000.00	$2,500,000.00

NEW YORK FIRE INSURANCE CO.

(INCORPORATED 1832)

March 31, 1928, Statement

$2,188,244.11	$429,267.16	$1,000,000.00	$1,758,976.95

REPUBLIC FIRE INSURANCE COMPANY OF PITTSBURGH

(INCORPORATED 1871)

March 31, 1928, Statement

$2,128,355.78	$866,590.80	$500,000.00	$1,261,764.98

SYLVANIA INSURANCE COMPANY OF PHILADELPHIA, PA.

March 31, 1928, Statement

After adjustment and giving effect to additional Capital Surplus and Reserve Funds paid into Treasury of the Company since that date

$4,554,828.44	$1,521,571.74	$1,500,000.00	$3,033,256.70

CLASSES WRITTEN

Fire, Explosion, Riot, Civil Commotion, Tornado and Windstorm, Sprinkler Leakage, Use and Occupancy, Profits, Leasehold and General Merchandise Floaters

SOUND — PROGRESSIVE — EQUITABLE

These Are Our Keynotes

We welcome and invite this class of agency representation.

XUM

FIRE — AUTOMOBILE — WINDSTORM — SPRINKLER LEAKAGE — MARINE



QUEEN
Ins. Co. of America

Queen Agents from ocean to ocean are safeguarding with Good Insurance the Capital and Savings represented in the Industries, Commerce, and Homes of America.

INCORPORATED IN NEW YORK STATE 1891

CAPITAL $5,000,000

HEAD OFFICE: 150 WILLIAM STREET, NEW YORK CITY

WESTERN DEPARTMENT
F. P. HAMILTON, MANAGER
CHICAGO

SOUTHERN DEPARTMENT
S. Y. TUPPER, MANAGER
ATLANTA

PACIFIC COAST DEPARTMENT
H. R. BURKE, MANAGER
SAN FRANCISCO

USE AND OCCUPANCY — RIOT AND CIVIL COMMOTION — PERSONAL EFFECTS FLOATER

The National Underwriter

Thirty-Second Year No. 28 CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, JULY 12, 1928 $4.00 Per Year, 20 Cents a Copy

FIREMEN'S LOSES CASE IN FIRST SKIRMISH

New York Injunction Against State Insurance Department Dissolved

IMPORTANT QUESTION UP

Litigation Is Now to Be Taken to Supreme Court of the United States

NEW YORK, July 11.—Insurance company officials all over the country are interested in the fight that the Firemen's Insurance Company of Newark put up against the New York insurance department, the company securing a temporary injunction restraining the superintendent from refusing to renew its license on the ground that it did not comply with the New York law as to investments. Federal Judges Learned Hand, Knox and Thatcher in statutory court refused to grant petition for a permanent injunction and ordered the temporary restraining order dissolved. This of course will now mean a strenuous fight in the higher federal courts as to the right of a state insurance department to revoke the license of a company from another state because it does not comply with the investment laws of New York although it does with the laws of its own state.

Issue Is Important

The big issue is whether a state has sovereign powers over its own corporations and if they comply with its investment laws are they permitted to be licensed in other states, even though they do not comply in all respects with the investment laws of those states? Company officials have contended that if the different insurance commissioners endeavored to invoke their own investment laws as to all companies, the logical outcome would be that companies would be circumscribed to that extent where they could not do business outside of their home state.

Objection to the Firemen's

Superintendent James A. Beha of New York refused to renew the license of the Firemen's this year on the ground that it had more than 50 percent of its surplus invested in stock of like insurance companies, thus violating the New York investment law. The Firemen's owns a group of companies and through an interlocking arrangement the parent company has in its assets stock of all the auxiliary companies. The New York companies are obliged to comply with this law. When it went into effect some had to make a change in investments in order to meet the requirements. Superintendent Beha therefore declared that it is an injustice to New York companies to allow outside companies to come in and have greater privileges in New York than its own corporations. The New Jersey department on the other hand has contended that it has sovereign power over its own corporations and the matter of investments is one which each state must decide for itself.

Gough Sends Bitter Letter

Deputy Superintendent C. A. Gough sent a very bitter and stinging letter to Superintendent Beha which was resented by the New York department as being uncalled for. The motives of Superintendent Beha were impugned.

The first breach between the departments came at the annual meeting of the National Convention of Insurance Commissioners at Cincinnati last September, when Mr. Beha read his paper dealing with the New York law and the power of his department. Deputy Gough had a very comprehensive and exhaustive paper on insurance company investments upholding the New Jersey law and contending that the comity of states required other commissioners to recognize the laws governing home companies.

Mr. Beha's Contentions

Mr. Beha declared that when a company invested more than 50 percent of its surplus in stocks of similar insurance companies, it was pursuing a too dangerous course. He declared that the big majority of the assets of the Firemen's is in stock of its subsidiary companies. At the Cincinnati meeting some of the other commissioners took the side of Deputy Gough and claimed that the New York department was exceeding its authority in endeavoring to dictate to companies of other states as to their investments so long as there was no danger as to the financial structure. Deputy Gough claimed that the plan followed by the Firemen's was pursued successfully in foreign countries. There had been no failure of any kind due to this method of investment. Foreign companies, he said, had a great advantage over American companies by pursuing this plan of investment.

Declares Company Is Impaired

Superintendent Beha in a letter to the New Jersey department prior to the injunction suit charged that the Firemen's because of its extensive holdings in

(CONTINUED ON PAGE 43)

UNITED STATES FIDELITY FIRE IS PROGRESSING

READY FOR INCORPORATION

Company Expected to Start with $1,000,000 Capital and $3,000,000 or More Surplus

Incorporation papers for the United States Fidelity Insurance Company, fire insurance company which the United States Fidelity & Guaranty Company is organizing, are in preparation by counsel for the casualty company and are to be filed in Delaware soon. The company will have capital stock of not less than $1,000,000 and probably will have surplus of between $3,000,000 and $4,000,000. Par value of the stock is $10 a share. The fire company will be controlled by stockholders and agents of the United States Fidelity & Guaranty.

R. Howard Bland, president of the United States Fidelity & Guaranty, will be chairman of the board of the fire company. It is reported that one of the outstanding fire underwriters of the United States is being considered for the presidency of the new carrier.

NATIONAL SURETY MAY HAVE FIRE COMPANY

PROJECT NOW TAKING SHAPE

E. M. Allen, Executive Vice-President of National, Is at Home in Fire Insurance Field

NEW YORK, July 11.—Responses in considerable number have been received by the National Surety to the communication recently addressed by E. A. St. John, its president, to its agents in all sections, advising of the proposed launching of a fire company and asking the views of the local men as to the idea. In the great majority of cases the agents have approved the suggestion. Not a few offer to become stockholders in the intended enterprise as well and pledge to give it such fire business as they control and what they may be able to obtain from associates in their respective communities.

The idea of a fire company annex for the National Surety was first broached by William B. Joyce, chairman of the company's board, at a large gathering of its agency force at Atlantic City last September. Since that time the project has been gradually shaping up. It has now reached a point where a definite announcement as to the general plan is promised within the next 10 days.

Large Capital Foreseen

President St. John stated in his letter to the field force that the proposed fire company would have a capital of at least $1,000,000 and a net surplus of $2,000,000 or more. With the extended and influential financial connections of the National Surety the securing of the needed funds would be an easy matter. In connection with the proposed enterprise, the launching of which now seems assured, it is interesting to recall that E. M. Allen, executive vice-president of the National Surety, is well informed on fire underwriting, having conducted a prosperous agency in Helena, Ark., for many years prior to joining the official staff of the surety corporation. He also served as president of the National Association of Insurance Agents, proving one of the most popular and efficient leaders that organization ever had.

It is further interesting to note in connection with the project that the United States Fidelity & Guaranty declared its purpose a short time ago to organize a fire company, which probably will have a capital of $1,000,000 and a surplus of $3,000,000 or possibly $4,000,000. The idea of multiple line coverage by the big casualty as well as by the leading fire companies continues to find favor. Few offices of either character now are without such affiliations.

COMPANIES STUDYING SIX-MONTH FIGURES

Experience of First Half of Year Neither Very Good Nor Very Bad, Books Show

PREMIUM GAINS ARE FEW

Largest Increases Are Made by New Carriers—All Insurers Have Trouble Keeping Down Expenses

NEW YORK, July 11.—Now that one-half of the year is ended, fire company officials are taking stock of its results and are speculating on what may be expected from the remaining six months. They assert that the experience thus far is nothing to boast of, that it might have been better, and that they are thankful that it was no worse.

During the first three months, always a "hot" season, fires were unusually frequent for some unknown reason, and companies feared lest the profits scored in 1927 would be needed to offset losses in 1928. In April, however, a change came about, a condition that continued in increasing degree through May and June. While some companies were able to report a satisfactory loss record for the half year (one office, writing a specialized class of business, having but a 40 percent loss ratio), the great majority of the offices admit higher ratios than those for the corresponding period of 1927. It does not appear that any underwriting lessons are to be learned as a result of the experience. The burned risks for the most part were of the approved type and such as the companies would freely write again were they given the opportunity. Dwellings are considered a preferred class the country over and every company is eager to get all business of this character possible. Yet dwellings burned with unusual frequency in the early months of the year, the result, apparently, of purely physical causes, no suggestion of moral hazard attaching.

Few Premium Gains Reported

Companies that recently entered the field or those making a special drive to extend their operations report premium gains, but the majority of the offices with well established plants frankly admit that they are barely holding their own in point of premium income, while some are not doing that. It is true that the country is growing steadily, and that the value of the insured property increases by millions of dollars each year. But as an offset the new structures, particularly the high-grade apartment houses, hotels, and office and mercantile establishments erected recently or in process of building in large cities notably, are of excellent construction and hence are low rated. Many of the new properties

(CONTINUED ON PAGE 13)

ARTHUR BAILLIE MAKES SOUTH AMERICAN REPORT

RETURNS FROM LONG JOURNEY

Secretary of Home of New York Says Leading Republics Maintain Optimistic Business Outlook

NEW YORK, July 11.—Arthur C. Baillie, secretary of the Home of New York, is again at his office, having recently returned from a five months' trip through Argentina, Brazil and Chile, in each of which countries the Home, as a member of the American Foreign Insurance Association, is operating. Mrs. Baillie accompanied her husband on his extended travels.

In the South American republics named Mr. Baillie found a generally optimistic sentiment among the business men, despite various setbacks suffered some months ago in all three of the countries, none of which has fully recovered. American capital and American institutions are pushing into the field in ever growing number, our automobiles, electrical devices and farming machinery particularly finding a ready sale among the progressive elements of the population. American financial institutions are establishing branches at the leading centers, thereby facilitating the operations of American merchants and shippers.

Countries Progressing Industrially

Cattle and grain raising still constitute the primary activities of Argentina, the pampas of the country peculiarly inducing such effort. Brazil, though a land of vast and varied natural resources, still makes coffee raising its chief industry, the product being shipped to all parts of the world. As a result of the world war its output of coffee is not yet what it was formerly but is steadily gaining and is expected shortly to attain former proportions. Chile continues to supply the world with nitrate. In Chile the people were pessimistic for a time, but pessimism has since given place to fully justified optimism and there is little doubt that the republic will again take its place as one of the thoroughly progressive countries of the southern hemisphere.

Through the enactment of a series of restrictive laws fire insurance companies represented in Chile have been greatly hampered in their operations. The establishment by the government of a reinsurance bank, with a capital of 15,000,000 pesos, one-third of the total amount to be subscribed by the central authority and the balance in equal degree by the general public and by the native insurance companies, was sanctioned. All companies are required to cede thereto 20 percent of their assumed liability on each individual risk written. It is further decreed that at least two-thirds of the stock of native fire insurance companies be held by citizens of Chile or by foreigners resident therein. Agents' commissions are limited to 15 percent, save in certain designated cities, where 20 percent may be paid. No home company is permitted to hold stock in a competing corporation, and where such stock is now held it must be disposed of within two years.

Survey Made Nine Years Ago

Mr. Baillie made an extensive survey of the South American insurance field nine years ago, just prior to the organization of the American Foreign Insurance Association, of which body the late E. G. Snow, then president of the Home, was the first president. The Home, together with the Great American, is entered in Brazil and Chile, and in association with the Fidelity-Phenix and the National of Hartford operates for the A. F. I. A. in Argentina. No American company writes independently in any of these countries.

TORNADOES STRIKE IN DAKOTAS, MINNESOTA

PROPERTY DAMAGE IS HEAVY

Crops Also Suffer As Hail Follows Winds—Water Ruins Stocks of Mercantile Houses

FARGO, N. D., July 11.—Six deaths and property damage which, when final estimates are given, will run into hundreds of thousands of dollars, is the result of a series of tornadoes which swept North Dakota and western Minnesota in the last 10 days. The storm of July 1, while doing considerable damage in the vicinity of Fargo, spent its force at Sabin, Minn., blowing down many barns.

At Sabin garages were flattened and roofs were hurled from buildings. Two boxcars, standing on a sidetrack at Watts siding, east of Dilworth, Minn., were wrecked. Most of the water damage was not covered by insurance.

In the Sunday storm, plate glass fronts in the De Lendrecie, Sharood and Shotwell stores in Fargo were blown in, causing considerable damage to stock from water. Black's store reported damage to basement stock.

Several barns and other buildings on farms in the vicinity of Walcott and Colfax, N. D., were torn down and reports to the Bismarck office of the Soo line railway indicate that farm crops suffered severely from hail.

Two airplanes moored at the Fargo municipal airport were badly damaged. Two others were less severely damaged.

AMERICAN LLOYDS IS QUITTING THE FIELD

REINSURING IN A L L I A N C E

Duluth Concern Is Not Able to Weather the Storm and Overcome the Prejudice

The American Lloyds of Duluth has reinsured its business in the Alliance of Philadelphia and will liquidate. George B. Gray, vice-president and manager of the underwriting department, resigned a few months ago and since that time Frank E. Bush, assistant manager, has been in charge. Mr. Bush was formerly one of the chief examiners in the western department of the America Fore companies. He started his career with the National Inspection Company of Chicago. The Superior Underwriting Company is the attorney-in-fact for the American Lloyds.

Financial Statement

The last financial statement of the American Lloyds as of Dec. 31, showed assets $658,079; underwriters' deposits $627,766; liabilities except underwriters' deposits, $46,083; impairment, $15,750. The institution started as an Illinois Lloyds organization. It was licensed by the Illinois department June 17, 1925. During 1926 a small volume of business was written. It then started to solicit subscriptions to a guarantee fund in order to comply with the Minnesota laws which require resources of at least $500,000. On Feb. 9, 1927, with an ac-

(CONTINUED ON PAGE 13)

COMMISSIONER DETRICK SCORES "FLY-BY-NIGHTS"

ISSUES WARNING TO PUBLIC

Says Insurance Buyers Should Obtain Policies Only from Companies Licensed by State

Warning the citizens of California against insuring with companies which are not authorized to transact business in the state but which are making their solicitation by radio and direct mail, Commissioner Charles R. Detrick has issued a statement in which he points out that such companies as a class are not to be relied upon and that the policies they issue have no legal standing in this state.

The statement issued by the commissioner is as follows:

"Warning to the insuring public by Charles R. Detrick, insurance commissioner:

Use Papers and Radio

"Several insurance companies which have not complied with the requirements of the California law and, therefore, are not licensed or authorized to transact business in California, are advertising in the newspapers and over the radio that they are issuing especially attractive policies of insurance and urging residents of this state to communicate with them in order to secure such policies.

"Believing that as a class financial institutions which are unwilling to submit to the reasonable requirements of our laws for the protection of our citizens are not to be relied on, this department has put forth every effort to protect the public from this class of insurance coverage by requiring these advertisements to be discontinued. Thus far it has met with considerable cooperation from the newspapers and radio stations in this respect. However, under a recent ruling of the attorney-general there is nothing in the California law to prevent this form of advertising by such unlicensed insurance companies.

Policies Have No Legal Standing

"Notwithstanding this fact, the policies issued by such companies have no legal standing in this state. Should a loss or claim for disability occur after such policy has been issued, and the company deny liability, as they frequently do, the policyholder would have no way of enforcing his claim except by means of a suit brought against the company in the courts of its home state. I, therefore, urge upon every citizen of this state the importance of securing their insurance coverage only from companies which have complied with the requirements of the California law and hold a license from this department. Do not trust your business to companies which are permitted to solicit your insurance only through the mails or through the medium of these advertisements. Confine your dealings to properly licensed agents, brokers or local offices or insurance companies if you would be assured of proper protection. No unauthorized company can supply you with better coverage than you are able to secure from the companies which have complied with the law and hold certificates to transact business in California."

California agents have been urged to organize educational campaigns for the purpose of combating this intrusion of companies that neglect or refuse to comply with the requirements for entrance into the state.

CONDENSED NEWS OF THE WEEK

Firemen's of Newark loses its case in the first round against the New York insurance department in the controversy over its financial structure. **Page 3**

* * *

Company officials scan experience of first six months of year and speculate on profit outlook for second six months. **Page 3**

* * *

Incorporation papers of the United States Fidelity Fire are filed. Company expected to start with $1,000,000 capital. **Page 3**

* * *

National Surety gets very favorable response from its agents as to project for establishing a fire company under its management. **Page 3**

* * *

Heavy property damage is suffered as 10-day series of cyclonic storms strike the Dakotas and Minnesota. **Page 4**

* * *

The Alliance of Philadelphia has reinsured the business of the American Lloyds. **Page 4**

* * *

Arthur C. Baillie, secretary of the Home of New York, reports on his company's operations in South America. **Page 4**

* * *

North America group field men are holding a month of intensive educational training at Lake Delavan, Wis. **Page 6**

* * *

Conditions in the fire insurance business in New Jersey are still vexing to company officials. **Page 6**

* * *

Commissioner Wysong of Indiana outlines some of the features of the annual meeting of the National Convention of Insurance Commissioners. **Page 6**

* * *

Joint committee of Massachusetts legislature fails to agree on conducting investigation of fire insurance rates in the state. **Page 6**

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The claim of the federal government against the American Bonding & Casualty has been settled. **Page 42**

* * *

The Kansas department held a hearing on the new compensation rates. **Page 44**

* * *

Hail storms have caused hail writing companies much loss. **Page 9**

* * *

Fire losses for the first six months in 1928 amounted to $175,048,800. **Page 8**

Committee that has been studying plate glass situation with a view to rate revisions submits its report to rating bureaus. **Page 39**

* * *

United States Fidelity & Guaranty is making plans for writing aviation covers. **Page 38**

* * *

H. U. Bailey, Illinois director of trade and commerce, files report on expenses of liquidation of Lincoln Casualty. **Page 39**

* * *

Richard Cary of Niagara Falls, N. Y., wins first money in Hartford Accident & Indemnity's "newspaper statement" contest. **Page 38**

* * *

Insurance Commissioner C. C. Wysong of Indiana gives his views on the Blue Goose group insurance plan. **Page 9**

* * *

Many points were brought before the executive committee of the National Association of Insurance Agents meeting at White Sulphur Springs last week. **Page 7**

* * *

Alliance Indemnity is being organized by the Insurance Company of North America. **Page 37**

* * *

At the annual meeting of the Massachusetts Automobile Rating & Accident Prevention Association the compulsory automobile liability experience for the year will be presented. **Page 37**

* * *

National Surety reinsures Bankers Limited Mutual. **Page 39**

* * *

Firemen's of Newark is to increase its cash capital to $13,500,000. **Page 11**

* * *

Austin McElroy of Columbus, O., third winner in the Hartford Accident & Indemnity "interview" contest, presents paper in which the growth of the casualty business is reviewed. **Page 37**

* * *

Question of whether casualty companies must file with Virginia rating bureau will be argued July 17. **Page 39**

* * *

Henry M. Brooks, who started in the insurance business in Cleveland Sept. 1, 1866, is dead. **Page 20**

* * *

Ernest Palmer, manager of the Chicago Board, will be one of the speakers at the semi-centennial banquet of the American Bar Association at Seattle. **Page 15**

Cameron Given Caledonian Post

From Edinburgh comes word of the appointment of F. J. Cameron as general manager and actuary of the Caledonian in succession to the late R. Hill Stuart.

NEW JERSEY CONDITIONS VEXING TO OFFICIALS

Varied Interpretations of Ramsey Law Cause Difficulties in Solving Commission Problems

SERVICE VALUE DISPUTED

One Outstanding Question Is Whether Non-Recording Are Entitled to Same Compensation as Recording Agents

NEW YORK, July 11.—Conditions fire insurancewise in New Jersey and how most effectively to cope with them still sorely vex the managerial mind and are likely to do so for some time to come. Certain features of the Ramsey rating law, as amended at the most recent session of the state legislature, are susceptible of various interpretations, despite the effort of the framers of the measure to employ clarity of expression, and the attorney general has already been called on for an official opinion on two mooted points. Some weeks ago he ruled that it is permissible to pay a graded scale of commissions, and acting thereunder the great majority of companies operating in the state are now allowing their representatives 15, 20 and 30 percent commission on a uniform risk classification.

The attorney general still has before him an inquiry on the status of the non-policy-writing agent, and his ruling thereon is looked for within a short time. Informally Deputy Attorney-General Backes, before whom the question was argued some days ago, indicated that in his mind the law sanctions no distinction between different classes of agents, and that writing policies for one class of representatives and requiring another to go to the expense of performing such service is a consideration that should be taken into account. If this view be sustained by the attorney general it will mean that non-policy-writing agents will have to write their own policies and thereby be placed on the same basis as regular agents, or be given a lower rate of compensation. Some company men favor a commission differential of 5 percent.

Disagreement on Commissions

Many company heads still maintain that the uniform commission feature of the Ramsey law is unconstitutional and that the courts will so hold once counsel for the National Board prepares his case for judicial review. As the New Jersey courts have adjourned for the summer and will not reconvene before Oct. 1, some months must elapse before a decision on this important issue can be obtained.

Meantime the New York brokers who control a considerable volume of business in New Jersey, and particularly in its northern counties, are insistent in their demand that they be granted brokerage commission of 15 percent, on ordinary business and 20 percent on preferred risks, a schedule to which "the non-affiliated companies generally have agreed," but concerning which the Eastern Underwriters Association has not yet declared itself. It developed at a recent joint conference between metropolitan brokers, local agents of New Jersey and company representatives, that "the extent of agents' direct business ranged from 55 percent in the counties of Hudson, Essex and Camden, to 90 percent for the balance of the state." Hudson county representatives favored an agents' differential of 10 percent. Camden county men offered flat brokerage of 15 percent, and Essex county agents were "prepared to recommend temporarily brokerage of 12½ percent on the 20 percent class and 20 percent on the 30 percent class, leaving the unprotected class for separate and individual consideration."

The brokers submitted statistics showing that their operating cost is 12¼ percent exclusive "of profit of any nature to principals or owners of brokerage houses." They likewise disclosed that the average brokerage received on New York City fire business is slightly over 13 percent; on business outside New York City, slightly over 11 percent, and on business country-wide, slightly over 12 percent. According to these figures, the brokers maintained, their fire business is being handled without profit, and at times at a loss, hence their insistence that they be allowed compensation in accord with the quality of the service they render, and which would allow a fair profit to them.

Fire losses in Orange, N. J., for the first five months of 1928 totaled $12,000, as against $100,000 reported for the same period of 1927.

ENTERTAINMENT PART OF MEETING PLANNED

TO VISIT THE BLACK HILLS

Some of the Features in Connection With the Gathering of Insurance Commissioners' Convention

Plans are under way for making up a special train out of Chicago for those who will attend the annual meeting of the National Convention of Insurance Commissioners, which will be held at Rapid City, S. D., Sept. 24-26. It is planned to have the special train leave Chicago on Saturday night, Sept. 22. It will probably go by way of Madison, Wis., and across Minnesota and the Dakotas, returning by way of Omaha and across Iowa. The train will arrive at Rapid City, Monday morning.

Wysong in Charge

Commissioner Clarence C. Wysong of Indiana has been delegated to receive reservations for the special train and commissioners, company officials or any others who intend to attend the commissioners' meeting and wish to take advantage of the opportunity to join this special party should get in touch with him at Indianapolis as soon as possible. Every provision will be made for the comfort and pleasure of those who take the special train.

It is also promised that the entertainment features in connection with the convention will be unusually attractive. On Monday morning, starting at 10:30, there will be a motor trip through the Black Hills, including a visit to Deadwood, Lead, Homestead Mines, Spearfish and Ice Box Canyons, with a mountain trout fry at some out-of-doors spot.

Banquet at Rapid City

On Monday evening there will be a banquet at the Hotel Johnson, Rapid City, when the guests will be welcomed by Governor Bulow and Secretary Crill of the state department of agriculture.

On Tuesday at 3:30 the Pamunky ceremonial will be celebrated in Rapid Canyon with all appropriate trimmings.

On Wednesday there will be an all-day trip through Southern Hills, visiting Sylvan Lake, Harney Peak, Mount Coolidge, Pushmore and a trip over the famous Needles Pass. A game dinner will be served at Game Lodge Inn on Sylvan Lake.

Mr. Wysong is particularly desirous that reservations be made as promptly as possible, so that the details for the special train can be worked out and completed.

COMMITTEE DISAGREES ON INVESTIGATING RATES

TWO CHAMBERS IN CONFLICT

Senate and House of Massachusetts Legislature Fail to Harmonize on Insurance Cost Scrutiny

BOSTON, July 11.—The joint legislative committee on rules of the Massachusetts General Court has been unable to agree on a measure calling for an investigation of fire insurance rates in Massachusetts, which was referred to it a month or more ago and which carried with it the support of the governor, who recommended such an investigation in his annual message in January.

Although no report has been filed by the committee it has been made known that a majority of the house rules committee favors the investigation by a special commission and a majority of the senate committee opposes it. As the committees sit concurrently a majority of each is necessary before a report can be made. It is expected that the committee will make a report of non-agreement within a short time.

Labor Union Makes Appeal

In view of the situation the Boston Central Labor Union has taken action and issued an appeal to the governor and his council that the commission on the necessities of life make an investigation of fire insurance rates and practices within the state. President Frank P. Fenton of the union has made the following public statement on appeal:

"The senate committee on rules is running true to form by refusing to approve a legislative investigation of fire insurance rates and practices. This action of the senate committee on rules is particularly interesting in view of the fact that the house committee on rules and the house of representatives, after a bitter debate of some hours, voted for the investigation which labor has asked for and which has the approval of Governor Fuller, the fire department chiefs of the principal cities of this state as well as many mercantile associations.

Exploitation Charged

"This action of the senate rules committee is in line with the usual action of the senate chairman of the committee on insurance, Senator Moran, who after he had drafted an order for an investigation and presented the same order to his committee, voted against the passage of that order. It is evident that the insurance lobby has been able to persuade members of the senate rules committee to permit the insurance companies to continue to exploit the people of this state for another year.

"Labor will appeal to the governor and his council to have the commission on the necessities of life conduct an investigation that we are sure will save millions of dollars to tax and rent payers if properly conducted."

Staff Designations Changed

Changes in designations of members of the National Fire Protection Association executive office staff as follow have been announced: Franklin H. Wentworth is now managing director, Percy Bugbee is assistant managing director, Robert S. Moulton is technical secretary and Ruth A. Freeman is assistant chief clerk.

New committee chairmen as follow have been appointed by the executive committee of the N. F. P. A.: E. P. Boone, superintendent of the automatic sprinkler department of the New York Insurance Exchange, is chairman of the automatic sprinkler committee; C. W. Pierce, vice-president of the Continental Fire, is chairman of the signalling systems committee.

FARM TORNADO LOSSES ARE ALREADY SERIOUS

Numerous Small Windstorms Continue to Raise Claim Totals Made —Many States Suffer

HAZARDS ARE INCREASING

Introduction of Gasoline Power Machinery Works Revolutionary Changes in Agricultural Industry

Companies writing farm business have been hard hit on tornado losses this year even though to date no one storm of destructiveness of that equaling half a dozen individual blows of last year has been recorded. The Dakotas, Wisconsin, Minnesota, Kansas, Oklahoma and Indiana have been struck several times this year and loss totals in each of these states have been high. Farm fire losses are reported by most of the companies as no heavier than they were last year to this date.

Some of the farm-writing companies are still discontinuing writing in certain territories and a few more have discontinued altogether since last year. The business is constantly presenting new problems in addition to all the old ones and for many companies the line has become unprofitable.

Agriculture Revolutionized

The introduction of motorized equipment on farms, and the rapid growth of industrial centers in the middle west and the east have revolutionized the agricultural industry in these sections, and almost all of the changes have been detrimental to the farm writing carriers. The tractor and the combine in the small-grain sections have reduced tenantry. The owner of equipment of this kind can now farm a section with little aid from hired workers, whereas formerly he needed a large working force. He can now harvest his crops and prepare his land for the next planting with fewer men and fewer operations than formerly and can spend half of his year in a town. Fewer horses and mules are used comparatively to the total acreage annually planted than were used for a like acreage 20 years ago, with the result that fewer and smaller farm buildings exclusive of dwellings are erected today than formerly. This means that there are fewer live stock and building risks for the companies to write than formerly.

Motors Bring New Hazards

The introduction of tractors, combines and other gasoline driven machinery has increased the fire hazard, however. A new type of risk, which also has a great inherent fire hazard, is the wooden chicken hatchery housing in many cases enough incubators to produce 10,000 to 20,000 chicks at a hatching. In the majority of these plants coal is used for fuel and the furnaces are on thermostatic control and therefore are not constantly attended by a watchman. Fire companies regularly are offered such risks.

Farm department managers report that near many of the large industrial cities of the middle west and the east the farmers have learned that they can make a larger annual income by working most of the year in an industrial plant and the remainder on the farm than they can make if they work the full year on the farm. Consequently many have gone into industry on the part-time basis, with the result that farms have fallen into disrepair and at

(CONTINUED ON NEXT PAGE)



The "Johnstown Flood." Johnstown, Pennsylvania
Two thousand dead; ten million dollars property loss

IN the Grand View Cemetery are seven hundred and seventy-seven unidentified dead, a third of those who perished in the "Johnstown Flood."

On May 31, 1889 an avalanche of water burst from its retaining dam and crashed madly through a narrow valley, eighteen miles in fifteen minutes. In that brief span of time, seven towns were dashed out of existence. The greater part of Johnstown, Pennsylvania, and the entire valley were swept clear of all life, and the toll taken of property was enormous.

But the toll of such a single disaster is as nothing compared to the losses by fire, windstorm and other causes which exact payment in life and property from year to year.

Insurance helps to alleviate these losses. The Home, during three quarters of a century, has taken a leading part in providing insurance to meet the needs of such protection as they develop.

THE HOME INSURANCE COMPANY NEW YORK

1853 1928
THE HALLMARK OF INSURANCE
Seventy Fifth Anniversary Year

FIELD MEN ARE GIVEN INTENSIVE TRAINING

INSTITUTE AT LAKE DELAVAN

Manager C. R. Tuttle of the North America Arranges for Educational Course in Insurance

The North America group of companies inaugurated this year an educational conference for its western department field men starting this week at Lake Delavan, Wis. It will last four weeks and there will be four different sets of men in attendance. The subjects to be covered relate to fire insurance and its allied lines, marine and casualty. W. B. Flickinger, assistant manager, is acting as general chairman. W. P. Robertson, manager of the Alliance, is assisting the first week; W. H. Riker, assistant manager, will assist next week. W. S. Foster, assistant manager will assist the third week and Harold A. Miller, assistant manager, will be the assistant the fourth week. General Manager C. R. Tuttle is on the ground. Assistant Vice-President Devereaux of the Indemnity Company of North America is present looking after the casualty instruction. The marine educational features are in charge of Manager Bannard of the marine department at Chicago. Executives of the western department are giving talks on different subjects. The men spend Friday and Saturday at the western department before going to Lake Delavan taking up matters with the office and also being given instruction in farm underwriting by Assistant Manager L. J. Braddock.

Regarded as Experiment

This movement inaugurated by Manager Tuttle is an experiment in educational and inspirational training. In fact it might be termed an insurance institute where workers in the field assemble for the acquiring of greater capacity and knowledge. All the salaried men of the company in its various departments in the field will be present sometime during the month.

Business sessions are held during the mornings and evenings.

Mechanics of the Sessions

The sessions in the morning start at 8:30 P. M. They are presided over by Mr. Flickinger. A field man presides over the twilight round table discussions. The company rents two cottages which holds 30 men. It has been found unwieldy to have more than that number of men at one time in a conference of this character. A questionnaire is handed to the field men before a lecture is started. They must send in the answers not later than the next day. These answers are all gone over thoroughly, graded and corrected. If any are far below grade, the men will be given special instruction on subjects in which they are delinquent. The field men discuss various questions of interest at the evening session. Each day one of the assistant managers has particular charge of the meeting covering the line of underwriting in which he specializes. The afternoons are devoted to recreation, the morning session closing at 1 p. m.

Program for the Week

The program followed each week is as follows:

Farm Underwriting, L. J. Braddock.

This discussion will be held on each Saturday morning in the Chicago office prior to the meeting at Lake Delavan.

Lines, M. G. Egbert, W. S. Stroheker.

Monday A. M.—General Manager, C. R. Tuttle; Our Organization, W. B. Flickinger; Accounting, Appointments, Supplies, Correspondence, Mr. Flickinger.

Tuesday A. M.—Marine Subjects, C. H. Bannard and C. E. Hoopes.

Wednesday A. M.—Fire and Windstorm Underwriting, Rents, Leasehold, Profits, U. and O., W. S. Foster.

Thursday A. M.—Automobile Insurance, H. A. Miller; Indemnity Insurance Co. of N. A., Mr. Devereaux.

Friday A. M.—The Brokerage Department, Riot and Civil Commotion, Explosion, General Cover, Automatic Builders' Risk, Earthquake, Grain Association, Railway Underwriters, W. H. Riker; Sprinkler Leakage, The Savings Association, H. R. Thiemeyer; Inspection, Fire Prevention, Diagrams, Slips, W. S. Krieger.

Saturday A. M.—Losses. Western Factory and Oil Insurance Associations, W. P. Robertson; Underwriters Service Association, L. J. Braddock.

Saturday Evening—Lines, Mr. Egbert, Mr. Stroheker.

Twilight Discussion

Experience in the co-operative collection of agency balances; accounting department.

Use and abuse of company automobile; field headquarters routine; visits to headquarters.

Cultivation and entertainment of agents.

The use of the long-distance telephone and telegraph.

Saturday—Lines and risks.

NEW JERSEY REPORTS ON NEW INSTITUTION

PUBLIC FIRE ASSETS LARGE

Department Examination Shows Company's Total Account Is $5,195,513 —Capital Is $1,000,000

NEWARK, July 11.—According to the report of the state insurance department covering its examination of the recently formed Public Fire of this city, the company on May 2 held admitted assets of $5,195,513. Its capital is $1,000,000 and net surplus $4,000,000, the balance being reserved for equipment expenses. From the last mentioned account payments were made as follows: Field men's expenses, $100; fees and salaries, $3,444.28; rental, $716; postage and incidentals, $64.55; subscriptions and advertising, $2,151; printing and stationery, $415; total, $6,891.49.

The company was organized last April and is already doing business in a number of states in addition to New Jersey. Its officers are: Arthur T. Vanderbilt, chairman of the board; J. T. Dargan, president; Fred A. Rye and David Neal Iverson, vice-presidents; Ulric S. Atkinson, secretary; Paul Kennedy, secretary brokerage department, and Hugh W. Allen, secretary automobile department.

FARM TORNADO LOSSES ARE ALREADY SERIOUS

(CONT'D FROM PRECEDING PAGE)

least partial disuse. It is reported that this condition reduces the number of risks available to the companies and also increases moral hazard.

Rainfall Potentially Dangerous

The unusually heavy rainfall in the northern middle western states has caused little, if any, damage thus far, and it is believed that if the rainy spell break now the corn and other crops will be large this year. If, on the other hand, the rains continue the crops in many sections probably will be flooded out as they were in a large section of Illinois last year.

North British People on Trip

Sir Arthur Worley, managing director of the North British & Mercantile, Lady Worley and C. F. Shallcross, United States manager of the North British, were in Chicago last week. The Worleys had come on from San Francisco and Mr. Shallcross met them in the northwest. They went on to New York, where the Worleys sailed this week for England.

MANY SUBJECTS HAD MEMBERS ATTENTION

Meeting of Executive Committee of National Association of Insurance Agents

SOME TOPICS DISCUSSED

Investigation Will Be Made as to Character of Membership of Arkansas Association

NEW YORK, July 11.—Business building and developing will supply the theme about which the program for the annual convention of the National Association of Insurance Agents, to be held at West Baden Springs, Ind., Sept. 18-21 will be prepared. Such was the decision reached by members of the executive committee of the organization at their gathering at White Sulphur Springs, W. Va., on Thursday and Friday last. The agenda before the committee was an extended one, and every item was given careful study.

Five Year Development Plan

The five-year development campaign was further endorsed as to the remaining four years beginning Sept. 1, 1929. Gratification was expressed that as the close of the first fiscal year approaches, it is evident all objectives of the first year of the plan will be attained, namely: 10 percent membership increase; coextensive membership in local board, state and national associations; local board organizations; introduction of key men; introduction of better business methods; introduction of standard automobile identification certificates and the introduction of cooperative advertising.

Standard Automobile Certificate

A major activity of the past year has been the issuance of the standard automobile identification certificate, the aid of which to business building has been so great that the committee decided to continue the certificate under the present method of operation until the close of the year. Great interest, it was stated, had been aroused in the advertising contests sponsored by the National association. The selection of judges to make the prize awards will be in the hands of the executive officers of the organization.

Hearty approval was given the effort of the National Convention of Insurance Commissioners to check the activities of unlicensed companies and agents. Another subject about which considerable discussion centered was the attitude of the Oil Insurance Association toward local agents, the committee finally deciding that "It would act as sponsors for a conference of state association officers from the affected territory in an attempt to reconcile the apparent divergence in practice of the Oil Insurance Association and the treatment it has accorded agents." Another aim will be "To bring about, if possible, the payment of fair compensation to agents on oil business."

Application of Arkansas Body

The application of the amalgamated Arkansas association for membership in the national body, resulted in a ruling by the committee that "inquiry be made to ascertain whether any members recently received into the organization represent companies whose practices have heretofore been declared in violation of National Association principles."

Consideration was given the complaint of the Minnesota Insurance Exchange and of the Minnesota Agency Association against the National Union Fire. The company is accused of making multiple agency and of bank agency appointments, thereby violating two principles of the National association. The executive officers of the association were directed to advise the management of the National Union Fire of the attitude of the committee and endeavor to have company amend its practices in accord therewith. "If this purpose be not accomplished by Sept. 17, the committee will again consider the matter as a special order of business."

Reinsurance of Mutuals

A list of 39 stock fire companies reputed to be reinsuring the business of mutuals, submitted on behalf of the Illinois Agency Association, is to be investigated, and when it is proved that the practice is indulged in the name of the offending company or companies, will be published. J. A. Giberson, speaking for the sub-committee preparing a code of ethics for the association, reported that progress was being made though the work was not yet complete.

A resolution was adopted opposing any scheme whereby insurance was used as a means for inducing subscriptions to publications. Opposition was also voiced by the committee to the idea of placing group life insurance covers in non-admitted companies, it being further held inconsistent with the general attitude of the National association that local agents are entitled to handle all business in their respective territories.

Taggart Still on Job

Despite reports current prior to his sailing for France in May, that Commissioner Taggart of Pennsylvania would resign his post, a statement emanating from the Pennsylvania department declares that Colonel Taggart will remain in office.

Colonel Taggart has now been back for several weeks. He has made no statement regarding his plans, nor do his assistants in the department know what he contemplates doing.

Philadelphians say the report that Commissioner Taggart will resign seems to have disappeared and that insurance men now seem to be of the belief that he will serve his full term.

Monument to Greatest Hero of Present Age

HERE is a monument to the greatest hero of the age. He has stood by your side many times and his helping hands have made your duties seem more pleasant. He always has a cheerful word and a pleasant smile. He points out the better way when things look gloomy. When you feel like chucking it all and throwing in the sponge, his encouragement spurs you on and bucks you up. When your back is sore from the load, he'll take a turn at it while you get some rest. He is in every office, on every corner. He is a willing fellow and the world is better off because of him. He is likely to get little credit and much abuse, but he takes it like the soldier he is. He comes from the ranks. His name means nothing. His glory is reflected in the accomplishments of his office. His reward is in seeing people succeed. He is the greatest of the great. He is

THE UNKNOWN SHOULDER

—Phil Braniff in "Tebco Messenger."

Alliance Advertising and Alliance Agents

Alliance advertising is seen by millions of magazine readers. It "sells" these readers on Alliance *service* — not merely on the business of writing policies.

It "sells" the Alliance Agent as a counselor well-qualified to extend this service to individual property-owners.

Every Alliance advertisement features the Alliance Agent!

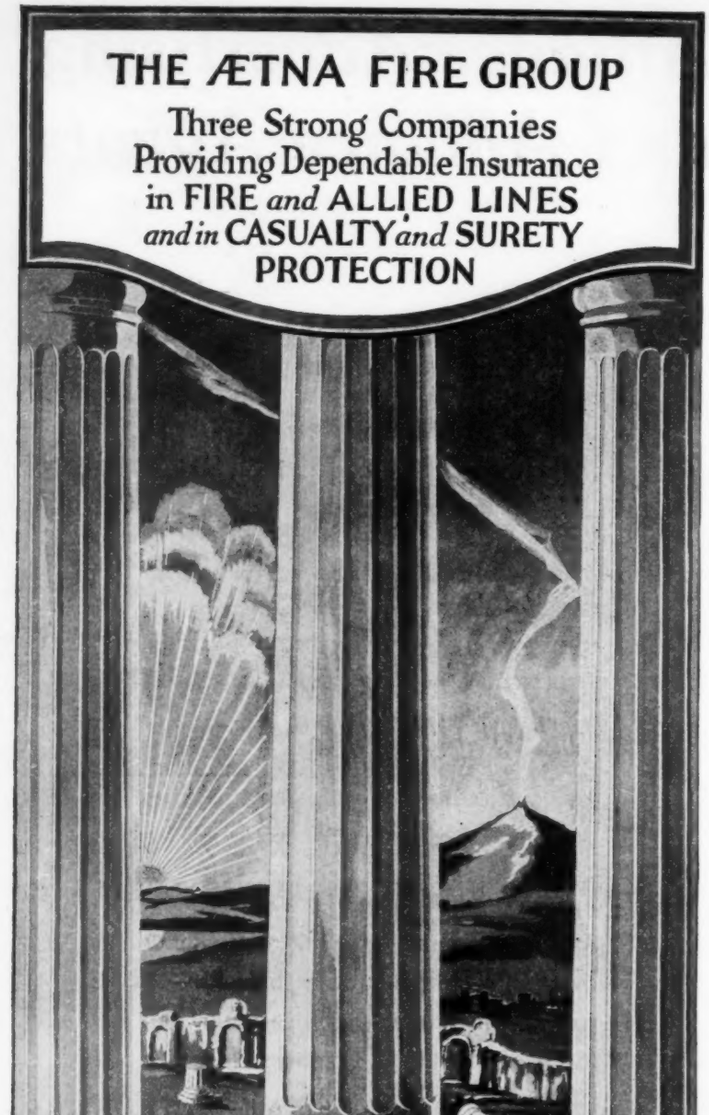
Hence, there is developed through this advertising a very definite prestige for the Alliance Agent and Alliance that reacts to advantage when there arises the question of insurance protection.

Alliance advertising is regarded by Alliance Agents as a definite sales factor that influences actual new business. It reflects the kind of co-operation that makes profitable an Alliance affiliation.

THE ALLIANCE INSURANCE COMPANY *of* PHILADELPHIA

Head Office
1600 Arch Street, Phila., Pa.

209 W. Jackson Blvd., Chicago, Ill.
231 Sansome Street, San Francisco, Cal.
8th fl. Hurt Bldg., Atlanta Ga.



FIRE LOSSES FOR THE FIRST SIX MONTHS OF 1928 WERE $175,048,800

JUNE established a record for the past decade in having the lowest fire waste for any month since the World War. The figures, as compiled from the records of "The Journal of Commerce," reached $11,123,000 as the value of property destroyed by fire in the United States and Canada during the month. This very creditable result is largely attributed to favorable weather conditions throughout the entire continent, the absence of excessive moral hazard and the deterrent effect of recent important criminal action against those seeking to gain by incendiary operations.

June Had Fine Record

The "Journal of Commerce" says: "The June fire losses of $11,123,000 are 57 percent less than the losses charged against June last year, when the total was $25,481,200. This favorable result brings the fire loss figures for the first half of the year down to $175,048,800 as compared with $176,911,400 for the first half of last year, showing that the excessive losses of the first three months of this year have been entirely overcome by the better experience of the past three months. Fire underwriters are keenly hopeful that the improved situation may be maintained for the balance of the year and thereby overcome the expected loss by reason of shrinkage in the value of securities held by the companies.

Comparative Figures Given

"The comparative figures, by months, for this year and the two preceding years given below afford an interesting vision of the extent of the improvement that has latterly developed:

	1926	1927	1928
Jan.	$ 41,118,750	$ 37,910,600	$ 43,260,800
Feb.	30,963,750	26,285,000	41,105,400
Mar.	42,854,600	26,807,600	30,377,000
Apr.	52,408,400	39,720,000	25,980,600
May	32,764,200	20,713,000	23,202,000
June	28,676,000	25,481,200	11,123,000
Tot'l.	$228,885,700	$176,911,400	$175,048,800

COMPANIES WIN TAX CASE IN MISSOURI SUPREME COURT

The Missouri Supreme Court has sustained for the second time within a year the constitutionality of a Missouri statute which permits domestic insurance companies to deduct legal reserves and unpaid policy claims from their personal tax returns. The decision quashed an assessment of $1,000,000 levied by the St. Louis board of equalization against the Missouri State Life. Had the city's position been sustained, the company would have been compelled to pay a tax of $25,000.

The issues in eight similar suits involving the Citizens, American Central, Central States Life, International Life, Missouri Insurance Company, American National Assurance and American Automobile were joined with the Missouri State Life case, and the decision applies to other cases.

The city, however, won a point in a separate opinion handed down in the American Automobile case. The court held that the company must include in its tax returns assets held outside of Missouri but used in connection with its business in Missouri. The court held that insurance companies could not omit from their return assets outside the state, as was done, when liabilities outside the state were included in the deductions.

Lindbergh's New Plane Insured

Col. Charles A. Lindbergh's new Curtiss-Robin, the last word in airplane design, speed and comfort, has been insured by the Independence Fire and the Independence Indemnity of Philadelphia. The insurance was underwritten by Barber & Baldwin, of New York. This represents "repeat" business, for the Independence companies, as Colonel Lindbergh's "We" was likewise insured by them.

The Fairchild monoplane "New York," in which John Henry Mears and Capt. B. B. Collyer will, in a combination steamship-airplane trip, attempt to circle the world in 23 days, also has been covered against fire and accidental damage by Barber & Baldwin.

Svea to Double Capital

The Svea, which has its home office in Gothenburg, Sweden, has planned to double its paid capital. The present paid capital is 6,000,000 kronen. This amount represents 20,000 shares of par value of 300 kronen each. It is proposed to increase the paid capital to 12,000,000 kronen by a stock dividend and subscription to new shares.

AUTOMOBILE ISSUES LEAFLET ON FALLING AIRCRAFT HAZARD

An interesting folder has been issued by the Automobile of Hartford treating with the new hazard of falling aircraft damage. The Automobile is one of the pioneers in the writing of this coverage, having handled this form of liability for nine years. The folder explains that the public is now seriously beginning to get "air minded" and that danger to property from falling aircraft is constantly increasing. The leaflet states that there are no less than 5,000 landing fields in the United States. It is illustrated with several photographs and describes the coverage, which protects buildings, contents, trees, shrubbery and grounds from all direct loss and damage by aircraft, whether airplanes, dirigibles or balloons, and also damage caused by any tools or other objects dropped from aircraft, including any oil damage.

Another interesting phase of this line of coverage was brought to the agency plant of the Automobile in reference to a unique suit brought on in Worcester, Mass., by one Harry Smith, who endeavored to get an injunction against low flying over his private property, but the court would not serve this injunction on the aviators. In fact it led to very confused minds in court and the case will be taken to a higher court, for no one was able to determine just "how high a landlord does own."

Gordon Joins First American

T. A. Gordon has been appointed special agent in North Carolina for the First American, relieving Special Agent H. P. B. Vreeland, who heretofore has traveled the state for both the American Eagle and the First American. Mr. Gordon has been special agent during the past three years for the Richmond general agency of Gordon & Brown and enjoys a high reputation as an underwriter and premium producer. He has established headquarters at Raleigh.

Bring Lists Up to Date

The "Hartford Agent" points out that 12,688,000 letters, pamphlets and circulars were sent to the dead letter office in Washington in 1927. Much of this waste was due to the use of obsolete mailing lists. For 60 cents an hour any post office will bring a mailing list up to date.

Will Meet at Asheville

The executive committee of the Southeastern Underwriters Association will meet at Asheville, N. C., July 17-19.

VIEWS ARE GIVEN ON BLUE GOOSE METHOD

OBSERVATIONS BY WYSONG

Indiana Commissioner Deprecates Writing Insurance by Mail in Company Not Licensed in the State

At a meeting of the Indiana Blue Goose, the fire insurance social order, to install the recently elected officers, the question of group insurance was discussed at some length. Commissioner Clarence C. Wysong, a member of the pond, was present and was asked for his opinion as to the feasibility of the insurance plan as it is being worked out through the mail for ponds in which the statutes preclude handling the business through an officer of the pond. Mr. Wysong reiterated what he said as to the legality of the proposition in Indiana when it was first broached.

Ruling on Group Policies

"Personally, I would like some of this insurance," said Mr. Wysong in his opening comment, "but I do not see how I can consistently take it under the existing conditions. Our statutes in Indiana require where group insurance is written that those participating in the group must be employed and receive their compensation from a common employer, and such employer shall pay all or a part of the premiums. This, of course, is an impossible condition as relates to the Blue Goose. Furthermore, the state statutes impose a heavy penalty for representing an unauthorized company and, as the company in which this insurance is proposed to be placed is not operating in Indiana, it would not be possible for an officer of the Indiana pond to handle applications or collect premiums."

Writing Insurance by Mail

As to the handling of the insurance by mail as is now being done by the grand nest committee, Mr. Wysong agreed that this is technically lawful and that the right to solicit insurance by mail has been upheld by a United States Supreme Court decision. However, just now in Indiana and in other states this privilege is being abused by representatives of irresponsible fire companies and every effort is being made to put an end to this business. Insurance commissioners are joining to discourage the placing of insurance in unauthorized companies in their respective states, and Mr. Wysong is taking an active part in this campaign. He is receiving the cooperation of a number of the field men of fire companies who are members of the Indiana pond.

Want Company to Enter

It was agreed that the Indiana pond as an organization, could not consistently endorse the insurance plan as at present operating, but it was urged that effort be made to get the American National Life of Galveston, the company in which the insurance is being placed, to enter Indiana if possible. Then, it was believed, there would be no objection to accepting and handling the insurance by mail. However, as a personal proposition, the acceptance or rejection of the insurance plan is up to the individual members, and some of those in attendance at the meeting said that they had already sent in their applications and others said that they planned to do so.

The efforts of the grand nest to secure for members of the order the benefit of group insurance are fully appreciated, and it is a matter of regret for all concerned that the Indiana statutes make the carrying out of the plan so difficult.

NOT VALID IN OKLAHOMA

OKLAHOMA CITY, July 11.—The group insurance approved by the Blue Goose cannot be written in Oklahoma, and members of the Oklahoma pond are not eligible for this coverage, according to Jess G. Read, insurance commissioner. The Oklahoma law provides that group insurance can be written only on 25 or more employes of one employer. Members of the Blue Goose are not employes of one organization and therefore are not entitled to this kind of insurance under the Oklahoma law. The only way they can obtain it would be to have individual medical examinations, Mr. Read explained.

The state laws further provide that no non-medical examination policies can be issued in Oklahoma for more than $2,000, he said. The commissioner has notified the American National of Galveston, which had planned to issue this group insurance, of the provisions made by the Oklahoma laws, and that such policies cannot be issued in the state.

HAIL STORMS HAVE CAUSED MANY LOSSES

KANSAS IS BADLY PELTED

Minnesota and North and South Dakotas Have Just Started a Bombardment of Claims

The hail companies are now casting up their accounts in the various states as to results so far this year. The northwest had been behaving itself fairly well until hail storms struck Minnesota and the two Dakotas causing a heavy loss. In Kansas the loss ratio will run pretty nearly 100 percent, although some companies are coming out better than they thought. The wheat had ripened but the farmers were unable to get on the fields on account of continuous rain. Claims of all kinds came in alleging hail storms. Owing to the fact that the grain had swelled in the heads it was easily shelled. The rain pelted down the stalks and there were more or less hailstorms. Kansas therefore has been a tough state from a hail standpoint this year.

Results in Other States

In Colorado no money has been made on grain. The results as to melons of course remain to be seen. Companies broke even in Texas. In Oklahoma the record was fairly good, almost all companies coming through with a profit. In Nebraska there has been no great complaint although storms caused considerable damage. Reports from Kansas indicate that the wheat is still badly shelling.

REPORT FROM NORTH DAKOTA

FARGO, N. D., July 11.—Although no reports of hail storms had been received at the state hail department July 6th, as the result of the later storm 2,000 damage claims were received from counties where hail fell on June 30 and July 1. Counties where damage appeared to be heaviest were Griggs, Steele, Foster, Barnes, Stutsman, Logan, McIntosh, Pierce, LaMoure, Dickey, Ransom, Sargent and Richland.

Prior to this, during the week ending June 29, a total of 269 claims for hailstorm damages was made to the hail insurance department by persons living in 28 North Dakota counties, a report from the department showed. Claims made for this season at this time totaled 1,370.

Slope county, with 72 claims, was hit the hardest by hailstorms, the report showed. Other counties with a large number of claims were Adams, 25; Bowman, 34, and Divide, 25.

Earl Wigg of Edwardsville, Kansas, who travels for the International Insurance Service of Chicago, and his wife were seriously injured in an automobile accident near Denver July 4.



Here's An Agency Contract That Opens A Door to More Profits for You

It is the ATLAS agency contract that opens the door to more profits for you!

This agency contract is different — different from all others—because it fully recognizes the value of your individual selling ability and the importance of the service you render. Consequently, through the ATLAS agency contract, you receive remuneration in exact proportion to the quality of the work you do and the service you give.

In addition, the ATLAS agency contract gives you every other advantage—a full coverage policy; complete protection for your assureds; prompt claim service; and the friendly assistance of an interested personnel.

Isn't it worth your while to know more about this agency contract? Just address your letter to President Holterman—he will gladly tell you all about the ATLAS.

This is the first in a series of advertisements. The second will be published in this magazine on July 26th.

Atlas Casualty Company

EXECUTIVE OFFICES
Fort Wayne, Indiana

OPERATING IN INDIANA, ILLINOIS, OHIO, MICHIGAN, MISSOURI AND PENNSYLVANIA

SOME REMINISCENCES OF THE BUSINESS IN CLEVELAND BY A VETERAN AGENT

BY HENRY M. BROOKS

Henry M. Brooks, chairman of the board of the Brooks-Stafford Company of Cleveland, who reached his 80th birthday June 23 last and died last week, was to have been honored by the fire insurance men of his city on the evening of his anniversary by a dinner at the Union Club. Unfortunately he became ill and could not attend. He prepared some remarks which he intended to give on that occasion. They are printed herewith. Mr Brooks entered the insurance business Sept. 1, 1866, and his reminiscences therefore are interesting.

When I first entered the insurance business, Sept. 1, 1866, as a boy of 19, to take charge of the fire insurance branch of the general insurance business conducted by John G. Jennings at Cleveland (I had previously been employed for some four years in other lines of trade, hence had gained some little business experience), I occupied a little office about 9x16. I cleaned the office, built the fire, trimmed the oil lamps, wrote the policies, kept the records and accounts, conducted the correspondence, etc., all in long hand. There were no printed forms, fire maps, inspection bureau reports and ratings, or other conveniences of today. Typewriters and telephones were then unknown. I solicited the business, dealt with the assured and with the companies. In short, I put in long busy days and met with all the discouragements usual to a beginner, but was thoroughly interested in my work. I endeavored to give my best each day to the work then in hand.

At the time I entered the business, now nearly 61 years ago, the population of Cleveland was approximately 50,000. The Public Square was enclosed with a board fence, and the business district extended westward from the Square to the river. Dwellings of prominent citizens fronted the square on the south and north sides, and extended from the square easterly along Superior St. and Euclid Ave. Lower Water St. (now West 9th St.) and Lake and St. Clair Sts. were fine residential districts. Street car facilities at that time, as I remember them, were an east side line extending from the Square out Euclid to Erie (now East 9th St.), then to Prospect to old Perry (now East 22nd St.) or Case Ave. (now East 40th St.), and a west side line extending from the foot of Superior St. down across the flats, up Detroit St. Hill and out Pearl St. (now West 25th St.) to Lorain St. These were small cars drawn by mules over a strap iron track. If you were in a hurry you would walk.

Insurance Center of Cleveland

The insurance center was at the foot of Superior Street Hill, corner of old River St. and Merwin St., the several corners being occupied by the Cleveland Insurance Company, the Commercial Mutual, the Buckeye Insurance Company and the State Insurance Company. The Jennings Insurance Office was located in the old Atwater building at the top of Superior Street Hill, the building extending across Superior and fronting up Superior street, Superior Lane to the north being a narrow street leading down to the river. At the time it was thought that we were located too far up town, and out of the insurance center.

Commissioned as Agent

Jan. 1, 1868, I became owner of one-fourth interest in the agency, and the name changed to Jennings & Brooks Agents. I was duly commissioned as agent by the Hartford Fire. Hence my 60 years of continuous service as a commissioned agent for that company was completed Jan. 1, 1928. Before being commissioned, however, letters of recommendation from bankers, school teachers, ministers and several prominent business men, as to my judgment, ability and reliability, had to be furnished the company. Every Tom, Dick and Harry were not commissioned as agent in those days. A man had to qualify. Every risk was inspected by the agent before binding. Judgment rates prevailed under general instructions from the companies. Daily reports were then unknown. Simple abstracts of the business written were furnished the companies at the end of each month. Applications for insurance on special hazards were made out in great detail. All questions were answered, from 100 to 200, and signed by the assured. Diagrams were made and submitted to the company for approval before binding.

Maximum Commission 10 Percent

We were content in those good old times to accept a maximum commission of 10 percent. In the case of some special hazards 7½ percent or even 5 percent was considered sufficient, but we then paid the hired girl at home $1.50 a week, or $2 if she included the washing. Now the cook draws $18 or $20 a week, and the laundress $4 a day and carfare for eight hours' work.

During the past 60 years many changes have taken place. According to a list taken from an old file in 1870 there were 130 stock fire companies doing business in Ohio, of which only about 30 still exist. Of 39 Ohio state stock fire companies in good standing in 1870, and doing a business of no small magnitude for those days, in their home state, less than half a dozen are now in business. Our own city of Cleveland during this period has had no less than 16 stock fire companies, with paid in capital ranging from about $100,000 to $500,000, and not one is left to tell the tale.

I turned up in my files a short time since a schedule giving names of Cleveland agents, and the fire and marine premiums received by each during 1870:

Carleton & Lee	$ 64,120
E. C. Rouse	47,192
Jennings and Brooks	33,027
S. S. Coe & Shepard	56,287
Runnels & Manchester	28,794
H. F. Brayton & Son	20,350
Belden Seymour & Bro	12,575
Geo. P. Burwell & Son	12,065
Newberry & Gardner	10,273
Everett Douglas & Co	12,999
Baldwin & Fish	13,957
Hopkinson & Parsons	3,631
W. H. Vantine	2,372
	$317,642

Then and Now

Total premiums, fire and marine, 1927, were estimated at $8,000,000. Agents and solicitors were licensed by Insurance Board of Cleveland in 1927 to the number of 2,126.

Thirteen agencies aggregated premiums of $317,642. These agencies represented 94 companies, of which number only 23 are still in business.

In this connection I hope you will pardon me for being personal, in refer-

(CONTINUED ON PAGE 43)



COMING AND GOING

That's the way with automobiles right now. They are coming and going all ways on the roads. Some have gone.

Gone where? Wherever it is that good cars go after an accident or fire. Too frequently there's no way of telling where a car goes after the auto thief gets his hands on it.

But you can tell your prospects that coming or going, a Franklin Automobile Policy protects with the security born of nearly a century of insurance life and proven by continuous service to policyholders.

Right now, Franklin agents can realize this service by utilizing the Automobile folders supplied by this Company. These descriptive leaflets will help get the business. Now, while the cars are coming and going most, is the time to boost your premium income with Automobile Insurance. Try it.

The Franklin Fire offers to agents a wide range of insurance covers. Well qualified agents in territories where this Company is not already represented, are invited to investigate the advantages offered by this old established Company.

The FRANKLIN FIRE INSURANCE COMPANY
OF PHILADELPHIA
ORGANIZED APRIL 1829 CASH CAPITAL $1,000,000

ACTION IS TAKEN TO RELIEVE SITUATION

BOARD RULES LIBERALIZED

Kansas City Agents Association Now Allows Brokerage to Real Estate and Loan Men

KANSAS CITY, MO., July 11.—The Insurance Agents Association of Kansas City at a meeting Tuesday afternoon amended the constitution and by-laws to allow members to pay brokerage to real estate and loan men and other insurance brokers. Heretofore the association has not been allowed to pay brokerage to any one except solicitors in members' own offices, which has forced business from real estate and loan men into branch offices and companies not members of the association. This business will now be diverted to association offices. Several insurance agencies in Kansas City have withheld applications to the local board until such time as the by-laws were changed in this regard. It is felt that this move will enlarge and strengthen the Kansas City association.

CORROON & REYNOLDS MAKE NEW AGENCY CONNECTIONS

Important field appointments recently announced by E. S. Inglis, vice-president of Corroon & Reynolds, include those of King, Leonard & Company, Atlanta, as general agents of the Merchants & Manufacturers for Georgia: Alexander Sime & Company, also of Atlanta, as general agents in Georgia for the New York Fire, and Olaf Kyster, Little Rock, as general agent in Arkansas for the New York Fire.

The Sylvania of Philadelphia, one of the fleet of companies managed by Corroon & Reynolds, has been licensed in Georgia and Florida and has filed application for entry into Illinois. The Bronx Fire, the latest accession to the Corroon & Reynolds office, will also seek an Illinois license within a few days.

S. T. Collins in Hospital

S. T. Collins of Hinsdale, Ill., who was former western manager of the Providence Washington, is at the Presbyterian Hospital in Chicago, having undergone a serious operation. It so happens that his room at the hospital is next door to H. G. Buswell, Cook county manager of the Home of New York, who has been in the hospital since early in April.

Benson Joins Public Fire

The Public Fire of Newark has appointed Carl L. Benson its special agent in western Massachusetts and Connecticut. Mr. Benson was vice-president of the Reinhart Hoyt agency, Inc., of Stamford, Conn., prior to which he was in the western Pennsylvania and West Virginia field for the Providence-Washington.

Reinsured in Security

LOS ANGELES, July 11.—The Mercantile Insurance Company of California has been reinsured in the Security of New Haven.

Unlicensed Insurance in Ontario

TORONTO, CAN., July 11—The Ontario Superintendent of Insurance, R. Leighton Foster, issues a warning against unlicensed insurance. He mentions in particular the National Protective Insurance Association of Kansas City, Mo.

Toronto Losses Increase

Fire losses in Toronto, Ont., for the first six months of this year, are estimated at $850,000, an increase of $125,000 over the same period last year. The Metropolitan church fire added $350,000 to the year's total.

FIREMEN'S OF NEWARK IS TO INCREASE CAPITAL

OFFER HOLDERS NEW STOCK

Present Shareholders Will Be Given Right to Take One New Share for Each Five Now Held

NEW YORK, July 11.—At the regular meeting of the Firemen's of Newark yesterday the usual quarterly dividend of 5½ percent (being at the rate of 22 percent per annum) was declared.

Directors of the company at a special meeting on last March recommended an increase in the authorized capital of the Firemen's from $10,000,000 to $15,00,000, the immediate occasion being to make available the necessary stock to conclude a proposal made shareholders of the Metropolitan Casualty to exchange shares of the Firemen's for those of the Metropolitan, thereby bringing the casualty company into the Firemen's group. At this meeting it was pointed out that based on 1927 figures the affiliation of the Metropolitan with the Firemen's group would result in a total premium income (fire and casualty) of more than $37,000,000, and that in line with the well-established policy of the company it would be consistent to increase the paid-up capital of the Firemen's still further, and that it would be well that this increase should be specifically authorized on or before the regular July, 1928, quarterly meeting of the board.

Capital to Be $13,500,000

Dependent on the actual date of consummation of the Metropolitan transaction, this information was made public at the time. Pursuant thereto at the meeting of the Firemen's yesterday it was determined to increase the cash capital of the company to $13,500,000 through offering to its stockholders of record at the close of business July 9, 1928, the right to subscribe for the new issue in proportion of one new share for every five shares owned.

The board also passed a resolution recommending to a specially called meeting of the stockholders' action authorizing under certain conditions the issue to agents of the company of approximately 14,000 shares of stock. The result of this action will be to increase the Firemen's cash capital to $13,500,000 and (based on Jan. 1, 1928, figures) it will result in its combined capital and surplus being in excess of $33,000,000, thus making the Firemen's one of the largest fire companies in the country.

E. R. Hunt Is Dead

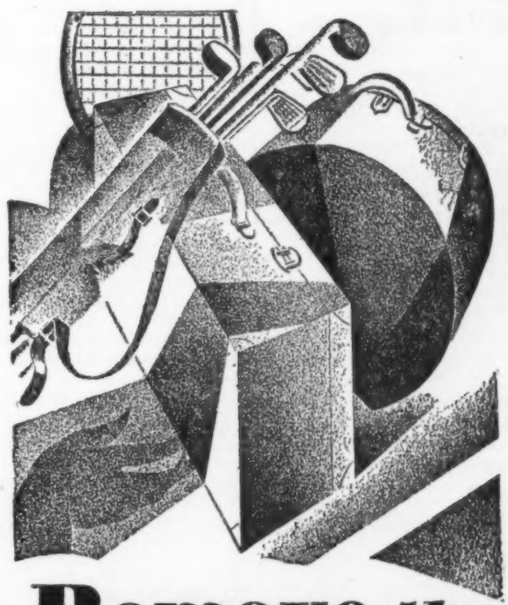
E. R. Hunt, for 30 years head of E. R. Hunt & Co. agency at Philadelphia, died Sunday night from the effects of an operation performed five weeks ago. He was 54 years of age.

Public Licensed in Massachusetts

License to operate in Massachusetts has been issued to the Public Fire of Newark. L. W. Cottrell of Boston, who has been special agent of the Liverpool & London & Globe in eastern Massachusetts and Rhode Island, has been appointed Massachusetts special agent of the Public. Mr. Cottrell entered the insurance business as an inspector for the Middle States Inspection Bureau. In 1907 he became New England special agent for the National of Hartford, in 1910 he joined the Hartford Fire as special agent, and joined the L. & L. & G. three years later.

Pace Joins Halifax Fire

Fred W. Pace of Winnipeg has been appointed manager of the Halifax Fire, which has entered the western field. This company was established in 1809, but has been operating chiefly in the Maritime Provinces.



Remove *the* Shadows

INVISIBLE shadows hover over every vacation trip. It's joys can be clouded at any moment by the annoying loss of personal belongings. The danger is present from the moment the vacationist steps out of his door.

Our agents are getting closer to their clients and closer to prospective clients by concentrating *now* on the protection offered by Personal Effects Insurance. They are making a surprising summer sales record by removing the shadow of loss by theft, fire, and the hazards of transportation.

How? By showing that Personal Effects policies are good *all year round,* anyplace away from home. By proving that day for day, this is the most reasonable, as well as one of the most essential forms of insurance obtainable.

Agents are invited to write for Selling Points and Outline of the Personal Effects Policy.

THE LIVERPOOL AND LONDON AND GLOBE Insurance Co ltd

Executive Offices: 1 Pershing Square Park Ave. at 42nd St., New York, N. Y.

80th Year in the United States

Western Dept. CHICAGO

Pacific Coast Dept. SAN FRANCISCO

THE NATIONAL INSTITUTION WITH A WORLD WIDE BACKGROUND

HAYES TAKES CHARGE OF MARINE DEPARTMENT

GOES WITH JAMES OFFICE

W. B. Wolverton Will Become Connected with Western Marine Department of the North America

The marine department of Fred S. James & Co. at Chicago will be managed after Aug. 1, by L. R. Hayes, who has been with the agency for some time, and whose insurance experience well qualifies him for the post. Mr. Hayes was formerly with Johnson & Higgins, and Wilcox, Peck & Hughes. He is the successor of W. B. Wolverton, who came to Chicago from New York City 13 years ago and became associated with Fred S. James & Co. at that time. Mr. Wolverton leaves the James organization to accept a position with the western marine department of the North America.

Harold Ririe resigns from the North America on Aug. 1 to become associated with the marine department of Fred S. James & Co. under Mr. Hayes.

Miscellaneous Notes

The Sussex Fire of Newark, N. J., has appointed Lewis & Gandar as managers for the metropolitan territory and general agents for the suburban field.

In the first six months of 1928 the fire losses of Jersey City, N. J., aggregated $193,000, a decrease of $1,007,000 from those for the same period of 1927.

An explosion demolished the store of the Kaywood jewelry store in Cleveland this week and with the fire which followed caused a loss of $10,000. W. E. Kaywood, the proprietor, escaped injury by dashing into the street when the explosion occurred.

A penny in the pocket is worth two in the slot.

DEFINITION OF U. & O. EARNINGS

When Earnings Are Produced, Net Profit, Fixed Charges Explained

BY FRANK L. ERION
Chicago Adjuster

IN A mercantile establishment, the "earning" is produced at the moment delivery is effected of the article sold. It is not produced until delivery is effected because payment cannot be enforced prior to that time. This is true when it concerns articles upon which the customer makes a deposit, but which are held by the merchant to be delivered at a later date, because, unless delivery is effected, the deposit (except in rare cases) is returned or allowed to apply on the purchase of some other article.

In rare cases the customer is forced to abandon the deposit to the merchant and it then becomes an apparent earning, but if the merchant is forced to reduce his price in order to dispose of the article to another customer, the apparent earning is wiped out in whole or in part.

Earnings Produced When Made

In a factory the earning is made when the article is produced, provided, of course, that the article can and will be sold. True, the money is not received until the article is sold and sometimes long after that, thus actual receipt of the profit is delayed, but the fact remains that, so far as the factory is concerned, the earning was produced when the article was made.

For example: Manufactured feed for live stock is sold largely during the months when pasture is not available, but the feed mills, not having capacity to produce enough during the period of heavy sales to supply the demand, operate steadily throughout the year and, during the period of light sales, warehouse their excess production, which excess is used to fill orders during the period of heavy sales.

Unaffected by Sales Period

The book records will show the profit earned when the sales are made, but the fact is that the mill produces little, if any, more during the heavy sale period than during the light sale period, and if disaster should cause a suspension of manufacture during the heavy sale period it would cause a loss only as concerns that product which would have been produced during the time of suspension. Shipments from stock in warehouse would continue unless the warehouse was also destroyed, and the fact of its destruction would not affect the U. and O. loss, as that form of insurance excludes loss occasioned by destruction of finished stock.

Confined to Articles

If the owners desire to insure loss of earnings on finished product, it may be done through that form known as "profits" insurance.

U. and O. insurance on manufacturing risks being confined to cover earnings on articles, the production of which is prevented by the disaster insured against, must perforce base its liability on that prevented production and, therefore, it is patent that the U. and O. earning is produced when the article is made, provided only that the history of the factory shows the article can and will be sold. If there is no evidence that the article is saleable at a price showing some gross profit, there can be no loss of earnings and, therefore, no U. and O. loss.

PROGRAM ANNOUNCED FOR THE CONFERENCE

REGIONAL MEETING PLANNED

Missouri Association of Insurance Agents to Hold Session at Moberly, Mo., July 18

July 18 is the date set for the regional meeting of the Missouri Association of Insurance Agents at Moberly. The chamber of commerce rooms have been obtained for headquarters. The program is as follows:

Address of welcome, Mayor Rolla R. Rothwell; reply for the association, B. J. Fradenburg, president; greetings from the insurance department, Henry C. Asel, chief clerk, Missouri department; "The Fire Insurance Contract," Frank Furgason, Kansas City, Mo.; "Agents' Rating Problems," W. A. Cox, improved risk department, Missouri Inspection Bureau; "The Institution of Insurance," W. R. C. Kendrick, former commissioner of Iowa.

Visiting agents and field men will be the guests of the Missouri association at luncheon. Addresses will be as follow: "What the Moberly Association Has Accomplished," P. K. Weis, secretary, Insurance Agents Association of Moberly; "Work of the State Association," Wilbur F. Maring, secretary; "Work of the National Association," J. A. Giberson, Alton, Ill., special representative of the National association executive committee.

Herbert Lewis in New York

Herbert Lewis, general manager of the Commercial Union at its head office, is on a visit to the United States headquarters.

SOUND, SOLID, SUCCESSFUL

NEW HAMPSHIRE FIRE INSURANCE COMPANY

MANCHESTER, N. H.

Fifty-eighth Progressive Annual Statement, January 1, 1928

CASH CAPITAL	$ 2,500,000.00
TOTAL ASSETS	14,675,712.03
NET SURPLUS	5,142,962.48
TOTAL LIABILITIES EXCEPT CAPITAL	7,032,749.55
POLICYHOLDERS' SURPLUS	7,642,962.48

AFFILIATED COMPANIES

COUNTY FIRE INSURANCE COMPANY OF PHILADELPHIA

Cash Capital	$ 500,000.00
Total Assets	2,446,091.28
Liabilities except Capital	1,284,820.45
Policyholders' Surplus	1,161,270.83

GRANITE STATE FIRE INSURANCE COMPANY PORTSMOUTH, N. H.

Cash Capital	$ 500,000.00
Total Assets	2,879,865.95
Liabilities except Capital	1,675,857.77
Policyholders' Surplus	1,204,008.18

COMPANIES STUDYING SIX-MONTH FIGURES

(CONTINUED FROM PAGE 3)

replace old-type buildings that paid anywhere from 75 cents to $1.25, whereas the new structures rate from 15 cents to 55 cents. The volume of liability carried by the companies in comparison to premium income increases year after year, and company heads are wondering when the era of low rated business is to end.

Not only do the modern buildings command a low rate, but the same applies to the stocks they house, the result being that companies find it increasingly difficult to maintain premium income. Another factor sure to be increasingly felt is the competition of the scores of new companies that have entered the fire insurance field in the last 18 months, some ably and aggressively managed, but all getting business to a degree and, operating as the majority of them are, free from association obligations, paying excess commissions that orthodox institutions cannot or will not meet. The prediction is freely made that many of the newcomers in the business will flourish for a time, but once the law of loss and expense average catches up with them they will be forced either to seek reinsurance, pass under the control of better managed organizations, or liquidate. Meantime their competition is being felt, and no effort is made to disguise the fact.

Marine Covers Loss Source

Still another source of complaint on the part of the orthodox fire companies is the loss of chain business to companies writing under marine covers. This practice, first adopted on the Pacific coast, spread rapidly to other sections of the country, finally becoming so prevalent that the departments of various states, and particularly the New York department, took cognizance of it and commanded a halt to law violations and evasions. A further effort to meet the situation was the creation within the Eastern Underwriters Association of the interstate bureau, the plans of which are now being studied by the National Convention of Insurance Commissioners. It is expected the proposed bureau will begin to function within a few months. How effective it will prove to be in meeting the evil complained of remains to be seen.

Expenses Still High

Try as they will, and the matter has been given close study by the best minds in the fire insurance business for the past several years, companies have not been able to reduce their expense accounts. While commissions to agents have not increased, equally true is it they have not been reduced, taking the country as a whole. The constant calls by insurance departments for statistics of various kinds is a growing expense that the companies would like to be rid of, for they see no offsetting advantage for the effort they perforce are put to. To supply the data asked for, which must be furnished, the companies are required to employ expensive talent and to afford facilities proper for such employes. What is true of individual companies holds with respect to their bureaus and associations of various kinds, all of which are required to make reports, more or less elaborate, to state officials. The constantly changing laws with their hampering regulations, ofttimes conflicting as between different states, add not a little to the operating costs of the fire companies.

The competition of the mutuals is another of the many worries of the stock companies, property owners continuing to be attracted by the promise of low cost indemnity, overlooking entirely the numerous failures of this type of concern.

Though the silver lining to the fire underwriting cloud is not especially bright, there is tinge enough to justify better things later on. The agitation in the ranks of the National Board for centralized control of loss adjustments, and the adoption by the organization two years ago of a plan for listing all approved adjusters, has had a marked effect for the better in the handling of claims. Though there is still abundant room for improvement, it is unquestionably a fact that adjusters are more careful in the settlement of claims now than they have been in times past, appreciating that their work is under scrutiny of head office executives, and that slipshod practices will not be tolerated.

Developing "Side-Lines"

To offset the loss of strictly fire business, companies are turning more and more to the development of the numerous "side-lines" and are urging their agents to secure such risks. Business of this type is susceptible of large increase and offices that will show premium gains in future will be largely those that develop the allied lines.

"A REASON why some people know so little is that they talk so much. There is a scripture injunction which says, 'Be still, and know.'"

AMERICAN LLOYDS IS QUITTING FIELD

(CONTINUED FROM PAGE 4)

credited guarantee fund of $513,383 it was licensed as an Illinois institution. By mutual agreement of the Minnesota and Illinois departments it was relicensed as a Minnesota Lloyds. It confined its efforts practically to Minnesota. As of Dec. 31, last, the guarantee fund had a book value of $592,400, the market value being $627,766. The guarantee fund was contributed by 500 subscriptions.

Licensed in Two States

The American Lloyds was licensed only in Illinois and Minnesota. Last year its net premiums were $34,185 and the incurred loss ratio was $10,000, while the expenses of the management were fully 100 percent of the net premiums. The American Lloyds had salesmen selling units of membership. It endeavored to join both the Western Union and Western Insurance Bureau, but its application was not accepted. The concern started with a number of prominent men of Duluth backing it. The attorney-in-fact received 32½ percent commission. Its local agency commissions averaged about 20 percent.

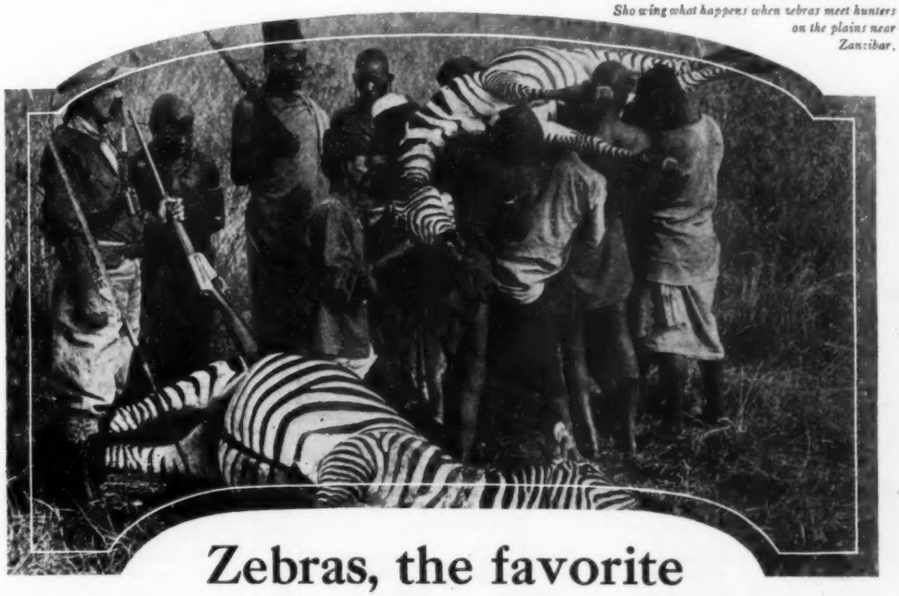
Promoters of American Lloyds, operated by the Superior Underwriting Co., found themselves facing difficulties at the start and though many prominent Duluth and Superior, Wis., business men were interested in the concern, it was found impossible to make any headway. It was finally thought advisable to retire from the field while still solvent and the return to subscribers of their subscriptions to its guarantee fund with small loss impairment possible.

In a letter to its agents announcing its taking over by the Alliance Assistant Manager Bush outlined the situation. "In the course of two years' business, it has been found," the letter said, "that the results to be anticipated did not justify our continuance in business. Under arrangement the Alliance will take over a large part of our present outstanding business as of July 1, 1928, and such business as is not assumed by it must be cancelled with pro rata returns of premiums.

"For all business assumed by the Alliance we are authorized as a special representative to substitute a policy of the Alliance for the unexpired time of the Lloyds policy. The Alliance or one of its associated companies will be in position to enter many of our agents and to afford them the opportunity to renew such business at expiration."

In a letter to C. R. Tuttle, western manager of the Alliance at Chicago, Mr.

Showing what happens when zebras meet hunters on the plains near Zanzibar.



Zebras, the favorite Game of Lions; Automobile Insurance, the BIG GAME for men!

GET the zest for the hunt! But instead of a Zebra hunt go after that Big Game of the Insurance Business—Automobile Insurance.

Be sure you have the proper equipment—Get a Specialized Automobile Company in your agency—Then you can sell more and your clients will get more for their money.

Write today.

UNIVERSAL AUTOMOBILE INSURANCE COMPANY

A WORLD OF PROTECTION — A SPECIALIZED SERVICE

EDWARD T. HARRISON, PRESIDENT

DALLAS, TEXAS

An Unfaltering Course

Dependability has been a watchword, accuracy a keynote in every transaction of the Lloyd-Thomas Company.

Our growth and progress are the result of the principle that underlies our every business activity namely, "A just and accurate valuation of all property appraised."

"WHAT IS AN APPRAISAL?—It is a complete classified inventory of insurable property (except stock merchandise and raw materials). Each item of property is valued at today's cost to replace new. The amount of accrued depreciation is determined and the sound insurable value is given.

"ITS ADVANTAGES—1st—It discovers insurable values that have long been written off the books through unscientific depreciation—2nd—It gives the agent, the assured, and the companies value facts of property. 3rd—It makes for adequate insurance protection, for in nearly every instance it calls for additional insurance."

The Lloyd-Thomas Co.

RECOGNIZED AUTHORITIES ON PHYSICAL VALUES

APPRAISAL ENGINEERS

4411 Ravenswood Ave., Chicago
120 Broadway, New York

Cincinnati	Cleveland	Detroit	Indianapolis
St. Louis	Milwaukee	Pittsburgh	Memphis
Denver	Toronto	Minneapolis	Kansas City
Washington	Los Angeles	Atlanta	Des Moines

NEW YORK UNDERWRITERS INSURANCE COMPANY

CAPITAL $2,000,000

A. & J. H. STODDART, General Agents

100 William Street - - - - New York City

FIRE - AUTOMOBILE - WINDSTORM
BUSINESS INTERRUPTION INDEMNITY

Bush noted that the continuance of American Lloyds in business was not practical for two reasons. First, prejudice regardless of its foundation made a Lloyds expensive to start with. Second, the same prejudice made it difficult to expand in any but densely populated and high volume districts.

"We are going out of business," the letter said, "while the agency is entirely solvent from the standpoint of the policyholder, and that after all liabilities are paid our guarantee fund will be returned to those who subscribed with small, if any, impairment."

Commissioner Upholds Club

BALTIMORE, July 11—While the ire of insurance brokers in Baltimore has been aroused by a circular letter sent out by the president of the Automobile Club of Maryland soliciting business for the Keystone Indemnity Exchange, Insurance Commissioner Carville D. Benson says the club is within its rights. There is no violation of the Maryland insurance law, Mr. Benson reports.

There long has been a contention between officials of the club and insurance men in regard to the stand of the former on insurance for club members. So heated was the discussion at one time that several members of the club who opposed the officials of the organization took the matter into court. The court decided in favor of the club.

Insurance men, however, still are of the opinion that the club is violating the state insurance law, regardless of the attitude of the insurance commissioner's office.

CHANGES IN THE FIELD

MATTSON JOINS NATIONAL

Appointed Special Agent for Company in Eastern Pennsylvania With Williamson and Martin Assistants

B. B. Mattson has been appointed special agent of the National of Hartford in the eastern Pennsylvania field. He succeeds Silas H. Schoch, who recently resigned to accept the position of manager of the home office brokers' department for the North America. Mr. Mattson formerly assisted Mr. Schoch in supervising the city and suburban Philadelphia territory.

Mr. Mattson will be assisted by J. E. Williamson, who is transferred from the western Pennsylvania field to the eastern field. W. W. Martin, who is in the Philadelphia field headquarters of the company in the Bullitt building, has been made a special agent and will assist Mr. Mattson and Mr. Williamson.

M. D. Garlington

M. D. Garlington, special agent of the Great American in Kentucky and Tennessee, has resigned to become state agent of the Glens Falls in the two states. Mr. Garlington has his headquarters at Louisville. He will maintain an office in the Columbia building there. A. B. Whittemore of Indianapolis has had the two states with Indiana. Thereafter he will have Indiana alone. The field men have the Commerce also.

Louis T. Miller

Louis T. Miller has been appointed state agent of the Public Fire of Newark for Virginia and North and South Carolina, having his headquarters at Richmond. He is now state agent for A. H. Turner of Atlanta, general agent. For a number of years previous he was in the field for the American Central.

J. E. Newton

J. E. Newton, of Lebanon, Ky., has been appointed a special agent for the farm department of the Fidelity Phenix Fire in Kentucky territory, replacing Garnett Kemper, of Lexington. Mr. Newton some years ago was a special agent for the farm department of the Home of New York.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

METROPOLIS FIRE ORGANIZING

Organization of the Metropolis Fire, which will be qualified for fire and marine business, is going forward rapidly. The company is to start with initial capital of $500,000 and surplus of $1,000,000. It is expected that the company will be operated and managed in connection with a group of companies already established. The incorporators are: James Cunnion, A. Holzman, Edward T. Shipman, Jacob S. Strahl, Robert A. Cools, John A. Campbell, Albert C. Bogert, Henry D. Mendes, Charles B. McLaughlin, Joseph Coghlan, John J. Laugers, Isaac Arndt and Hugh T. Owen.

* * *

COMMISSIONS MUST BE EQUAL

Non-policy-writing agents of fire insurance companies in New Jersey are not entitled to the same rate of commission as are regular recording agents, according to an opinion handed down by Deputy Attorney-General Backes. An informal hearing on the status of the non-policy-writing agent was held. It was attended by a number of agents and by a member of the New Jersey assembly as attorney for a group of agents. It was contended by agents who were instrumental in placing on the books an amendment to the Ramsay act that there is but one class of agents in New Jersey, and that this class is made up of the regular recording agents. The deputy attorney-general held otherwise, however, but also held that the law prohibits payment to one agent of a commission or "anything of value" which it does not pay to all its other agents. Therefore a company is within its rights in deducting from the commissions of non-policy-writing agents the difference between the full commission and the value of the clerical and other service extended to the non-policy-writing agent. As soon as the opinion handed down informally at the hearing is formally given, the companies must decide what commission differential will represent the value of the service the company performs for a non-recording agent.

* * *

SVEA TO INCREASE CAPITAL

The Svea of Gothenburg, Sweden, has planned, subject to official approval, to double its paid capital. The present paid capital is 6,000,000 kronen, divided into 20,000 shares of a par value of 300 kronen each. By a stock dividend and subscription of new shares, it is proposed to increase the paid capital to 12,000,000 kronen, divided into 120,000 shares of a par value of 100 kronen each.

* * *

BRONX FIRE IS WRITING

The Bronx Fire, newly organized company, has been licensed by the New York department and is writing business. It starts with $1,000,000 capital and $3,000,000 surplus. Organization of the company entailed no expense. The stock issue was more than doubly subscribed. The company is to operate under the management of Corroon & Reynolds. The home office of the company is at 349 East 149th street. The local underwriting department is in

charge of Kurt O. Gronau, who for more than 16 years was connected with the Continental. He has been a resident of the Bronx for almost 30 years and is well acquainted with fire hazards in the district. Associated with him in the underwriting end of the business is Charles E. Simmonds, who bears the title of assistant secretary, the title also borne by Mr. Gronau.

* * *

WENNSTROM RETURNS

J. M. Wennstrom, United States manager of the Svea, has returned from a trip to the head office in Gothenburg, Sweden. The main purpose of his trip was to see his son, Torsten Bingley-Wennstrom, who has completed his preparatory course and passed with high grades the government examinations both in classical and scientific branches required for university entrance. The young man is entering the King's Medical Institute of Carolines, where he will take a course in medicine. While in Gothenburg Mr. Wennstrom had the pleasure of attending a banquet given to the directors of the Svea by the president.

* * *

BOSS ESTABLISHES HEADQUARTERS

Thomas Boss of the Rossia has now established permanent headquarters in New York City at 87 John Street and will move from Hartford to New York very soon.

* * *

SUSSEX FIRE ADMITTED

License for the Sussex Fire of Newark has been issued by the New York insurance department. Application papers show that the Sussex has paid up capital of $500,000.

AS SEEN FROM CHICAGO

AGENCY OPENS LIFE DEPARTMENT

Selwyn C. Woodard, Chicago general agent for the National Life of Vermont, has opened a branch of his agency with the firm of Thomson & Ullmann, A-1330 Insurance Exchange South. The branch agency will be equipped to give service to full-time life insurance agents and to brokers. J. Wallace Thomson has been identified with Mr. Woodard's organization for five years. He has produced a large volume of business for the National of Vermont. James W. Ullmann has operated a general insurance agency for several years and personally produces a large volume of business. The Thomson & Ullmann firm already has six full-time men in the agency and will add several more in the next few months.

* * *

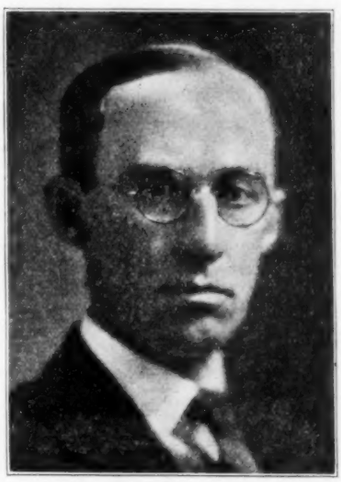
DECISION ON REINSURANCE

The Illinois Supreme Court has handed down a decision in the Baltica case which involves the right of the state to tax non-state companies. The decision affirms the previous opinion in the supreme court that reinsurance premiums exchanged under contracts made outside of the state are not taxable, but the later one seemingly is more comprehensive. The first opinion held that the Baltica's reinsurance premiums on Illinois business were not taxable because the company did not do a direct business in the state and because all of the business in the reinsurance transactions took place out of the state. The recent opinion declares that though reinsurance companies might be licensed to operate in the state their reinsurance premiums collected under contracts made outside of the state are not taxable. The recent opinion raises the issue that they might be taxable for contracts made in the state, but this is not definitely settled. The insurance people take the position that a direct writing company pays the premium tax, and is not allowed any credit for premiums ceded. Therefore, a tax levied on reinsurance premiums collected under Illinois contracts would be double taxation.

* * *

HONOR FOR ERNEST PALMER

High honor has been paid the fire insurance business in the selection of Ernest Palmer, manager and general counsel of the Chicago Board and a member of the insurance law committee of the American Bar Association, to be one of the three speakers at the annual banquet of the Bar Association at Seattle July 27. This is the semi-centennial meeting and the banquet will be a brilliant affair. Mr. Palmer will deliver his famous fire insurance talk entitled "Smoke." The other speakers will be Chief Justice Morrison of the Dominion of Canada and Hugh Kennedy, chief justice of the supreme court of the Irish Free State. The toastmaster will be the president of the American Bar Association, Silas H. Strawn of Chicago. This



ERNEST PALMER
Manager Chicago Board

is the first time a representative of the fire insurance business has ever been honored on a similar occasion by the American Bar Association. Mr. Palmer is one of the famous after-dinner speakers in the business and his talent is often recognized by outside organizations. He and his family will leave next week, taking their vacation in the Pacific Northwest.

* * *

H. C. EDDY MEMORIAL

The officers and directors of the Underwriters Salvage Company of Chicago have presented to the family of the late H. C. Eddy, for many years western manager of the Commercial Union and at the time of his death president of the Underwriters Salvage Company, an engrossed memorial. The parchment is illuminated, the handwork being done by W. R. Townley, treasurer of the Underwriters Salvage Company and now a lecturer in the Northwestern University fire insurance course. The memorial, as is always the case with Mr. Townley's work, is most artistic. George M. Eddy, son of H. C. Eddy, now has the memorial at his office with the Rockwood Company in the Federal Reserve Bank building, Chicago, and will be glad to show it to his father's old friends.

* * *

L. & L. & G. SOON TO MOVE

The Liverpool & London & Globe is now preparing to move its western department to New York the latter part of this month. It expects to have its effects there July 30. The agents will start to report to the New York office July 23. An advance guard will go on to take care of business coming



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IF we were on the "firing line" we certainly would invest a two cent stamp to find out all that we could about anything that might add to our yearly income.

The service extended to the field by the John Hancock Group Department along these lines is well worth your attention.

There are, at this minute, promising leads for Group Insurance in your own office.

May we point the way towards turning them into money, and help you to do it? We have done it for others. We can do it for you.

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SIXTY-FIFTH YEAR OF BUSINESS

Lightning Sells Fire Insurance

During the summer months comes the storm season. You can use this as a good reason for insuring against Fire and Lightning. In fact, every electrical storm is a sales assistant for you. Your prospects will be more susceptible to your arguments right after the very thing you are talking about has happened.

And in your sales talks do not forget the reliability of the Company you represent. The Homestead Fire Insurance Company is behind every policy it writes, ready to meet all just claims, endeavoring always to satisfy its policyholders.

In localities where this Company is not represented, reputable agents are invited to apply for representation.

The Homestead
Fire Insurance Company
FIFTY NINE MAIDEN LANE NEW YORK

through but the majority of the employes will leave Chicago on the evening of July 28 and will spend the next day at Niagara Falls. Manager H. T. Cartlidge, Assistant Manager M. H. Grannatt and Agency Superintendent C. L. Corbet will accompany the employes to New York City.

* * *

ENTERING WESTERN STATES

The Anchor, the new insurance running mate of the Providence-Washington, has applied for license in several middle western states.

* * *

INSURANCE STOCK QUOTATIONS

H. W. Cornelius of Lewis, Dewes & Co., the Chicago investment house gives the following insurance stock quotations as of July 9.

Stock	Par	Bid	Asked	Div. per Share
Aetna Cas. & Sur.	100	1040	1100	$12.00
Aetna Fire.....	100	800	825	24.00
Aetna Life.....	100	880	890	12.00
Agricultural	25	120	130	4.00
Allemannia	50	330	350	10.00
Alliance	10	84	88	2.00
Amer. Alliance..	100	550	600	16.00
Amer. Auto.....	10	65	...	2.00
Amer. Druggist..	25	80	83	3.00
Amer. Equit.....	5	31	35	1.50
*American	5	28	31	1.00
Amer. Reserve..	10	88	95	3.00
Amer. Salam....	50	75	78	2.50
Amer. Surety....	50	290	310	12.00
Automobile	100	385	405	...
Baltl. American.	10	83	86	1.80
Bankers Indem.	5	24½	25½	...
Bankers & Ship.	100	550	600	18.00
Boston	100	1075	1125	18.00
Brooklyn	25	100	107	...
Buffalo	100	420	450	13.00
Camden	5	30	33	.95
Carolina	10	64	69	1.40
Cent. West Cas..	50	75	82	2.00
Chicago F. & M..	10	16	18	...
City of N. Y....	100	600	650	16.00
Col States, N. Y.	10	23	27	...
Columb. Nat. F..	25	18	22	...
Commercial Cas.	10	50	55	1.60
Commonwealth...	100	700	...	20.00
Constitution Ind.	10	30	37	...
Continental Cas.	10	70	73	1.60
Continental	10	80	81	2.00
Detroit F. & Sur.	50	65	75	4.00
Detroit F. & M..	100	265	...	10.00
Detroit Natl....	25	18	22	1.00
Eagle Fire, N. J.	20	95	100	4.00
Federal, N. J....	100	1400	1450	20.00
Fidelity & Cas..	25	195	210	5.00
Fidelity & Dep..	50	275	285	8.00
Fidelity-Phenix..	10	81	82	...
Fire Assn., Phila.	10	50	51	2.50
Firemans' Fund.	25	110	116	5.00
Firemen's	10	50	52	2.20
Franklin	25	360	380	8.00
General Surety..	25	150	170	...
Georgia Cas.....	10	23	25	1.20
Glens Falls.....	10	54	60	1.60
Globe & Rutgers	100	2600	...	44.00
Gt. Amer. Cas...	25	15	20	...
Great Am. Indem.	10	78	83	...
Great American.	10	47	50	1.60
Great Lakes.....	10	12	15	1.00
Guardian Fire...	25	107	115	5.00
Halifax	10	52	55	.60
Halifax Rights..	...	10	12	...
Hanover Fire...	10	80	85	1.00
Harmonia	10	78	82	1.40
Hartford Fire...	100	820	830	20.00
Hartford St. Boil.	100	770	800	18.00
Henry Clay.....	10	11½	...	.60
Home, N. Y.....	100	565	580	20.00
Homestead	10	45	50	.60
Hudson Cas.....	10	10½	12½	.10
Import. & Exp..	25	90	95	4.00
Independ. Indem.	10	28	30	.50
Independ. Fire...	10	19	22	.60
†Insur. Co. N. A.	10	76	78	2.00
Iowa National...	100	165	...	8.00
Iroquois Fire....	50	...	40	...
Lincoln, N. Y....	20	100	110	4.50
Lloyds Pl. Glass	100	290	310	14.00
Maryland Cas...	25	160	170	1.85
Mass. Bonding...	100	550	600	12.00
Merchants, Com..	25	380	410	8.00
Merchants, Pfd..	100	126	...	7.00
Mechanics	25	100	...	2.50
Merch. & Mfrs..	5	20	25	...
Metropol. Cas....	25	88	93	4.00
Metropol. Fire...	10	9	11	1.00
Mich. F. & M....	50	320	340	5.00
Milwaukee Mech.	10	45	50	1.80
Mohawk Fire...	25	52	57	...
National Cas....	10	50	54	1.20
National, Conn..	100	1075	1175	25.00
National Liberty	5	89	93	...
Natl. Lib. Rights	...	7	10	...
National Union..	100	330	359	12.00
National Surety.	100	314	316	10.00
New Amster. Cas.	10	71	73	2.80
New Brunswick..	10	60	63	...
New Cent. Cas..	50	...	...	5.00
New England F.	20	50	55	3.00
New Hampshire.	100	590	550	16.00
New Jersey.....	20	60	68	1.80
N. Y. Casualty..	25	93	99	4.00
Niagara Fire....	25	140	150	...
Northern, N. Y...	25	120	135	3.75
North River.....	25	320	340	7.75
N. W. National..	25	185	195	...
Occidental	10	30	32	...
Pacific Fire.....	25	160	...	4.00
Pacific Indemnity	50	185	195	...
Peoples Natl.....	10	52	55	1.25
Phila. Natl. Fire.	10	22	26	...
Phoenix, Conn...	100	770	790	20.00
Pioneer Fire.....	20	90	...	...
Preferred Acci...	100	550	600	12.00
Presidl. F. & M..	25	28½	...	...
Prov.-Wash.	100	740	780	16.00
Public Fire.....	5	26	29	...
Reli. Cas., N. J..	...	17	20	...
Reliance, Pa.....	10	28	30	1.20
Rhode Island....	100	340	370	12.00
Rossia	25	169	171	6.00
Seaboard Surety.	10	20	23	...
Security, Conn..	25	125	135	3.00
Southern Surety.	10	34	36	1.60
Springfield F.&M.	25	205	220	4.00
St. Paul F. & M..	25	195	205	4.00
Stuyvesant	100	275	295	6.00
Sylvania	10	29	33	...
Transportation..	25	45	50	...
‡Travelers	100	1820	1840	22.00
United States...	10	88	93	...
U. S. Casualty..	100	390	420	10.00
U. S. Fid. & Guar.	50	400	430	10.00
U. S. Mer. & Ship	100	470	500	8.00
Universal	25	83	86	3.50
Victory	10	27	30	1.20
Virginia F. & M.	25	130	145	4.50
Vulcan	100	150	...	12.00
Westchester	10	87	92	2.50

*Ex Rights (Rights 3¼-3¾).
†Rights 9-10.
‡Rights 242-248.

* * *

REPORT ABOUT READY

The joint committee of the Chicago Board, Western Union and Western Insurance Bureau, which has been discussing amendments to the rules of the local board dealing with commissions of various groups, has now agreed practically on a report. A sub-committee representing the three organizations was appointed to get up the final draft. The work has been done by Manager Ernest Palmer and Assistant Manager J. S. Glidden. This has been whipped into shape for final approval by the subcommittee. It is thought that a meeting of the full committee will be called July 24 to consider the report. Members of the joint committee feel that this report will be approved and then it will go before the executive committee of the Chicago Board, the governing committee of the Western Union and the executive committee of the Western Insurance Bureau.

Probably about the middle of September a special meeting of the Chicago Board will be called to consider the report. While the committees of the two company organizations have no power to put the machinery in motion, they will undoubtedly make recommendations to the meetings of their organizations to be held in the fall or special meetings may be called to consider the Chicago situation.

It is the general feeling of the members that if the report be approved by the joint committee and by the executive committee of the Chicago Board, it then should be passed upon by the Chicago Board before special meetings of the company organizations are called and the members put to the expense of attending them. The draft of the subcommittee as worked out by Chicago Board officials may not in its entirety be adopted by the general committee. The committee agreed tentatively to certain general principles.

BINDERS CAN BE SECURED ON RISKS IN FAR EAST

NEW YORK, July 11.—Through the medium of the American International Underwriters, an enterprise affiliated with the American Asiatic Underwriters, metropolitan brokers controlling lines in China, the Philippine Islands, Indo-China, Siam, the Malay Archipelago and other countries of the far east may secure binders from the office of the organization in this city. The American-Asiatic Underwriters was formed in 1919, with main office in Shanghai, and branches in 15 strategic centers. Its member companies are the Globe & Rutgers, United States Fire, North River, Rossia of America, State of Pennsylvania, Agricultural, National Union Fire, National Union Indemnity, Hudson, Svea, Christiania General and the Albingia Assurance of Hamburg. George A. Moszkovski, vice-president, is head of the office here.

Can Reduce Fire Losses

The "Hartford Agent" for June points out that fire losses in a given town can be reduced by citing the experience of the engineers of the National Fire Pro-

tection Association with Haverhill, Mass. In 1926 the per capita fire loss was $11.85. As the result of a real educational campaign to reduce fire hazards the fire loss for Haverhill for 1927 fell below the $5 per capita mark. This is a signal and noteworthy example of what can be done by real cooperation. As the "Hartford Agent" points out, all involved are entitled to credit; the fire department, the fire prevention inspectors, both state and city (who have made about 55,000 inspections), the mayor and city government, the Chamber of Commerce, the Associated Industries of Massachusetts, and the various fire insurance organizations.

Kansas Hail Losses Mounting

Over four hundred additional Kansas hail claims from the storm of July 7 have been reported to the Kansas Loss Clearing House to date. The Aetna group has over 100, the Hartford 70, the America Fore 66 and the Shaw general agency 45. Losses are general over the western half of the state but are heaviest at Beloit, Coldwater, Harper La Crosse, Ness City and Scottsville.

NEW DIRECTORS ARE CHOSEN

American Equitable, Knickerbocker Fire and New York Fire Elect New Board Members

NEW YORK, July 11.—At the regular quarterly meeting of the boards of the American Equitable, Knickerbocker Fire and New York Fire held yesterday, all three corporations being under the management of Carroon & Reynolds, new directors were elected as follows for American Equitable: Joseph M. Byrne, Jr., and Edward S. Inglis; Knickerbocker, Walter W. Head, Omaha, Joseph M. Byrne, Jr., Newark, and W. Wallace Lyon, Wilbur L. Ball, William M. Tomlins, Jr., Edward S. Inglis and James Reece all of this city; for the New York Fire, Walter W. Head, Joseph M. Byrne, Jr., and Wilbur L. Ball. At the same time the resignation of P. A. Cosgrove as a director of the Knickerbocker and the New York Fire was tendered and accepted with regret.

The best thing anyone can have is a hobby. It helps and keeps interest alive. No matter what it is, everyone should have a hobby.

OPPORTUNITIES

SPECIAL FIRE AGENT WANTED

Casualty General Agency is seeking connection with a special agent now employed by a Fire Company, doing field work in Michigan in the vicinity of Detroit. Would prefer man that is satisfied with present position. Address **G-9,** care The National Underwriter.

POSITION WANTED

Young man desirous of making a permanent connection with high class Brokerage office or Agency in producing end. Thoroughly familiar with all forms of insurance and over ten years experience. Have best of references. Address **G-8,** care The National Underwriter.

SPACE FOR BROKERS

Have choice central loop office or space now available either on production (life) or rental basis. Address E. J. Faltysek, General Agent, Room 741, First National Bank Bldg., Chicago, Ill.

Sole Agency for Fire Insurance Company wanted in Cleveland by newly established, well-connected agency.

PHILLIPS AND BECKWITH
808 Keith Bldg.
Cleveland, Ohio

An old, reliable Fire Insurance Company with an established plant in Ohio wants a capable Special Agent for that state. State age, education, and details of your experience and qualifications, including present and past connections. Address **F-99,** care The National Underwriter.

Chartered 1865

The Reliable
Fire Insurance Company
of Dayton, Ohio

Capital	$250,000.00
Surplus to Policyholders over	$960,372.00

W. H. Kuhlman, Pres. Wm. F. Kramer, Secy.
A. R. Preisendorfer and H. J. Favorite, Special Agents

Hotel Directory

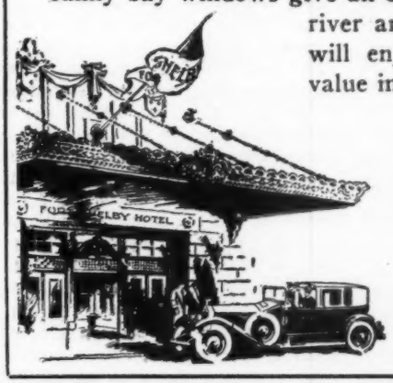
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300 Rooms
Without Bath, $1.50 and $2 per Day.
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HOTEL FORT SHELBY
LAFAYETTE AND FIRST DETROIT

Whether your choice be one of the many very comfortable rooms at $2.50, $3 or $4 or one of the richly furnished suites in the 22-story recent addition, whose sunny bay windows give an entrancing view of city, river and Canadian shore, you will enjoy a special sense of value in Hotel Fort Shelby.



All rooms have Servidors. Convenient to all downtown; principal shops almost at the door. Garage in connection; cars delivered without service charge. Excellent facilities for conventions.

Brochure on request.

In Des Moines it's

The
CHAMBERLAIN
Hotel

Most Centrally Located
250 Fireproof Rooms

CEDAR RAPIDS, IA.
HOTEL ROOSEVELT
Rates: Room without Bath with private Lavatories $1.50 and up. Rooms with Bath, Shower or Tub $2.50 and up.
R. G. KILL, Mgr.



300 ROOMS **300 BATHS**

In Dayton—

The Hotel Van Cleve, Dayton's newest and finest hotel. Delightful atmosphere and appointments that have distinct appeal to the discriminating public. Luxury without extravagance.

Reasonable Rates—Garage in Connection

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DAYTON, OHIO

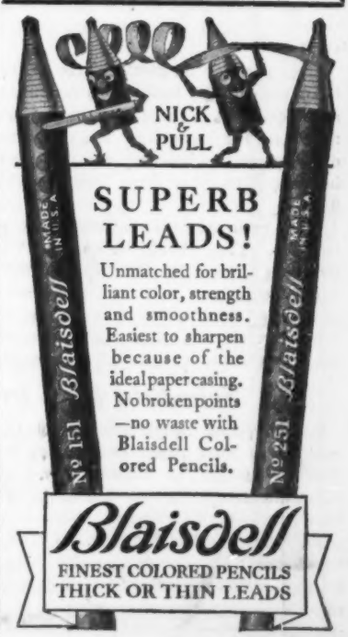
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Neither would there be as may ads in this column from week to week if their pulling power were negligible.

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The National Underwriter
Chicago New York Cincinnati



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Formerly THE WESTERN UNDERWRITER

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Entered as Second-class Matter February 24th, 1900, at Post Office at Chicago, Ill., Under Act, March 3, 1879

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Interesting Educational Experiment

THAT is a most interesting experiment that General Manager C. R. TUTTLE of the western department of the NORTH AMERICA is trying for a month along educational lines as related in our news columns. The NORTH AMERICA group of companies decided to have a month's intensive training for its field men. It therefore gathers a group of 25 men each week at Lake Delavan, Wis., where instruction is given each morning and evening.

Manager TUTTLE believes that field men should be thoroughly trained and qualified to answer all reasonable insurance questions put to them by agent and assured. He declares that field men should not only be acquainted with the fundamentals of their business, but they should be up-to-date and kept up-to-date as to knowledge of sidelines, new provisions and underwriting practices.

Public school teachers go to their institutes once a year to be mentally refreshed. Doctors attend clinics because unless they are kept up-to-date and have knowledge of new practices in their profession they are lost in the shuffle.

This is a day of great change in the insurance world. Business is becoming more complex. There are greater demands on fire insurance. The problems confronting the business are far more intricate than they have been in the past.

Field men are really instructors and teachers. They should be qualified for their positions. The local agents have a right to expect field men to be well trained and have sufficient knowledge of fire insurance to interpret the contract intelligently and to give all reasonable information as to underwriting conditions, practices and demands. They should understand how to fit the insurance contract to the needs of the assured.

THE NATIONAL UNDERWRITER advocated that the FIRE UNDERWRITERS ASSOCIATION OF THE NORTHWEST be converted into an insurance institute for practical, vital instruction along insurance lines. What the NORTH AMERICA group is doing for its own men the FIRE UNDERWRITERS ASSOCIATION OF THE NORTHWEST should attempt to do for its members. There could be no more inspiring sight than an annual institute of insurance in Chicago once a year not devoted to generalities, but to the consideration of practical, everyday subjects regarding which field men should be acquainted.

Up to date, the NORTH AMERICA experiment has been decidedly successful. The field men take notes as the lectures are given and the discussions proceed. They are required to answer questionnaires that are distributed during the sessions. These answers will be examined by the lecturers. It is nothing more than field men going to an insurance school and learning more about the business they serve.

We believe that this is a progressive step. The machinery has been constructed to function orderly and harmoniously. The company has selected a resort where the environment is inspiring. It is far away from the noise of the city. There are no other distractions. There is a combination of school and play. There is a splendid camaraderie among men engaged in the same business and working in the same organization.

Schedule Men in Fire Departments

AN interesting thought was brought out recently by State Agent DUNGAN of the FIDELITY-PHENIX in Indiana, when he called attention to the fact that in the fire department at Ft. Wayne, there is a young man who has had schedule rating experience. Mr. DUNGAN in elaborating on this stated that where a fire department does intelligent inspecting, a man who has had schedule rating experience is in a very desirable position to render service to property owners. He knows the schedule and the reasons for charges and penalties. As he goes around in his impartial inspection he can point out hazards that affect the rates and which might be removed. This is a new idea for fire departments and it is worth giving some attention to. It should inspire other fire departments.

PERSONAL SIDE OF THE BUSINESS

George Farrell, manager of the Preferred Accident at San Francisco, is seriously ill at his home. Mr. Farrell is one of the best known underwriters on the street, having been manager of the Preferred for many years.

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Among the features in the Sixtieth Anniversary number of the "Overland Monthly," which was founded by Bret Harte and Mark Twain when they were active in California, is an article on San Francisco's recovery from the disaster of 1906, by **C. D. Babcock,** advertising manager of the Fireman's Fund. In his article Mr. Babcock reviews conditions following the earthquake and fire and the part that insurance played in rehabilitating the city.

—

John R. Dumont, state insurance commissioner for Nebraska, has so far recovered from his recent operation for appendicitis, that he is able to be about and to handle the more important work of his department.

—

General **William A. Wright,** comptroller-general of Georgia and as such in charge of insurance affairs in the state, is a candidate for reelection at the fall democratic primary. That he will be successful there is no question. He has held his present office for 50 years, during all of which time "there has never been the slightest suggestion that he was not fitted for his job. Painstaking, polite, a combination of politician and efficient officeholder, he has managed to come up every two years with a smiling face and victory the morning after the crackers in the country and the boys in the city had done their duty at the polls." His friends tell him he is going to be retained in the comptrollership just as long as he desires to hold the office. A veteran of the Civil War, having served in the Confederate army throughout the entire length of the struggle, General Wright lost a leg at the second battle of Manassas, but that did not prevent his rejoining his regiment and continuing to fight until the end of the war.

General Wright has never held membership in the National Convention of Insurance Commissioners, his policy being to conduct the insurance affairs of Georgia according to its laws and his interpretation of them, uninfluenced by the views of the authorities of other states.

—

Funeral services for **Winston D. Robinson** of the Firemen's Fund were held at Atlanta, Ga., July 5. Mr. Robinson, who was 27 years old, was a native of Dallas, Tex., going to Atlanta several years ago to enter the insurance business.

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In the current issue of the Woman's City Club magazine, **J. B. Levison,** president of the Fireman's Fund, has written an excellent article on the San Francisco Symphony Association, of which he is president. Mr. Levison devotes a great deal of time and energy to this organization, which he has materially assisted to its place of prominence in the community. He is an ardent advocate of music as a hobby and diversion for business men and lends enthusiastic support to the development of talent in the ranks of the company's employes.

—

Sidney O. Smith of Gainesville, Ga., who becomes president of the Georgia Association of Insurance Agents, served as first vice-president during the administration of Albert R. Menard of Macon. He has been a local agent since 1916. His office is within 200 feet from the room in which he was born. He graduated from the University of Georgia in 1908. Mr. Smith is married and has four children. One of his great characteristics is his loyalty for Gainesville, the "Queen City of the Blue Ridge Mountains." Next to Gainesville he talks insurance. He does not believe that the insurance business is on the decline. Instead he says it holds unlimited possibilities for useful development for the wide awake man.



SIDNEY O. SMITH
President Georgia Association of Insurance Agents

—

Indiana Insurance Commissioner **Clarence C. Wysong** is now taking his vacation and is visiting a number of eastern cities, making the trip by motor, accompanied by his wife and daughter. He is planning to visit a number of brother insurance commissioners in their native habitats and may return to Indianapolis by way of Canada.

—

W. D. Greene, a member of the J. E. Mangum insurance agency and one of the best known men in his field in Atlanta, was fatally injured on the evening of July 1 as he attempted to cross a street on the way home from church and was knocked down by a speeding automobile. He was 74 years old and had been engaged in the insurance business for many years.

—

Mrs. Harry A. Yates, wife of the assistant manager of the western department of the Aetna, has just returned to her home from St. Luke's Hospital in Chicago, where for over a month she has been recovering from an operation.

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Insurance interests of Louisville have been very much pleased with the efforts of **Leo Thieman,** secretary of the Louisville board, in connection with insurance publicity edited by Mr. Thieman and carried each Monday morning in two to three columns of the Louisville "Courier Journal." This department discusses matters of interest pertaining to fire, life, casualty and general lines, and giving the insurance industry a type of publicity that is needed in making the public think about insurance and understand what it is all about.

—

S. Louis Reinhardt, prominent Dallas, Tex., insurance man, died at his home there last Saturday night. He was 56. Mr. Reinhardt was head of the firm of I. Reinhardt & Son. He was born at Vicksburg, Miss., but had made his home at Dallas since he was a small boy. He was prominent in civic affairs and served as a member of the board of education for two terms. He is survived by his wife, a son and three sisters. Mr. Reinhardt had suffered from heart trouble for several years.

XUM

This Changing World

There is not a manufacturing property of any importance in all the country on which the insurable value does not change—almost day by day.

A dozen men with trucks are replaced by a belt conveyor—an operation requiring four men is handled by an automatic machine with a single tender—a partition is ripped out—a floor is replaced—expansion, change, modernization. The process is incessant.

The appraisal which was accurate to the last penny a year ago, may be in error by thousands of dollars today. Yet it need not be, for American Continuous Appraisal Service will provide your clients with an all-the-time service which equips them with up-to-the-minute information as to the value of their property.

Your recommendation of such service constitutes an important step in assuring both adequacy and economy of insurance protection for your clients.

THE AMERICAN APPRAISAL COMPANY

Atlanta	Cleveland	Kansas City	New Orleans	St. Louis
Boston	Cincinnati	Los Angeles	New York	San Francisco
Baltimore	Detroit	Minneapolis	Philadelphia	Seattle
Buffalo	Dallas	Milwaukee	Pittsburgh	Washington
Chicago	Indianapolis		Syracuse	Berlin, Germany

A NATIONAL ORGANIZATION

FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

DISCLOSURES ARE EXPECTED

Superintendent's Call for Information May Result in Exposing Alleged Irregularities in Field

Companies have begun to report to Superintendent of Insurance William Safford a list of risks carried under binders for longer than 30 days and a list of risks carried under general cover contracts.

It is believed among agents that the order of the superintendent will disclose some irregularities among companies in writing risks in the state. It is known that some risks, entirely stationary in character, have been written under inland marine floater forms with an aggregate liability named for all risks and a maximum for any one individual risk wherever located. Any excess over the maximum written to cover any one of the total number of separate locations is written specially to cover such locations.

Some of the special agents are receiving copies of company reports made to the superintendent's office.

Agents who have encountered the so-called "trick" forms are accusing companies of playing unfairly with them in granting privileges to non-resident brokers not offered to the agents themselves.

REID ARRANGING TRIP TO GRAND NEST MEETING

COLUMBUS, O., July 11.—Earl A. Reid, 430 Huntington Bank building, Columbus, most loyal gander of the Ohio Blue Goose, is trying to arrange a large delegation from Ohio to the Grand Nest meeting at Montreal, August 28-31. "If we can get 12 or more ganders to go we can secure a special car leaving Cincinnati at 4 o'clock, Aug. 26," said Mr. Reid today. "This car would leave Columbus at 7:10 p. m. and Cleveland at 10:35 p. m., arriving at Toronto at 7:50 a. m. Monday. The Toronto ganders are prepared to entertain visiting ganders until 3 p. m., when we will board the boat for the night and day trip to Montreal.

"The boat trip takes us through the Thousand Islands and the rapids of the St. Lawrence river, arriving at Montreal Tuesday evening about 6 o'clock. The round trip fare from Cincinnati to Montreal by this route is $46.10, from Columbus $41.45, and from Cleveland $34.39, with Pullmans extra and state room extra on the boat trip. Returning the trip is entirely by rail."

Mr. Reid is urging all members of the Blue Goose in Ohio to make the trip and suggests that they communicate with him before Aug. 1 so that all arrangements may be completed in good time.

Small Insurance to Value

A glaring example of low ratio of insurance to value was discovered recently in an Ohio city where school buildings worth more than $1,000,000 were found to be insured for $167,000. The ratio of insurance to value for various buildings ranged from 6 per cent to 35 per cent. A district committee of the Ohio Fire Underwriters Association will meet with the school board to point out the desirability of carrying more insurance and the gross unfairness to the insurance companies involved in carrying these small amounts of insurance.

DEATH OF CLEVELAND AGENT

Henry M. Brooks, Veteran Insurance Man of His City, Had Successful and Notable Career

Henry M. Brooks, chairman of the board of the Brooks & Stafford Company at Cleveland, one of the leading local agencies in the state, died last week at the age of 80. A few days ago some of Mr. Brooks' friends celebrated his birthday anniversary and presented him with a token. He entered the business in Cleveland as a boy in 1866. He started with the Hartford Fire three years later. He represented that company continuously for 60 years. During part of the time he had general supervision of northeastern Ohio. He was regarded as an upstanding man of the highest integrity.

Planned to Give Dinner

The Cleveland agents planned to have a dinner at the Union Club June 23, in honor of Mr. Brooks' 80th birthday anniversary. He was taken ill prior to that time, so the event could not be held. Notwithstanding Mr. Brooks' age he continued to visit Hartford Fire agencies in northern Ohio under the jurisdiction of his office, once or twice a year up to within a few months of his death. He was a warm personal friend of President R. M. Bissell of the Hartford Fire and other executives as well as the western department officials. General Agent A. G. Dugan and Assistant General Agent W. C. Boorn of the Hartford Fire at Chicago attended the funeral on behalf of that company. Assistant Manager George B. Sedgwick of the western department of the Great American attended the funeral for his company. E. A. Henne, secretary of the Continental, was present for that company. Field men representing companies in the office were present.

Cleveland Four Score Men

Mr. Brooks' diary shows that in 1870, four years after he entered the insurance business in Cleveland, the aggregate premiums in the city were $317,642 among some 13 agencies. He died 11 days after his 80th anniversary. In Cleveland, 80th anniversary insurance men have not been so rare. Aside from Mr. Brooks, who was the sixth to reach four score years, and those who have already been honored by the insurance fraternity of Cleveland, are the late Thomas H. Geer, the late George H. Olmsted, William H. Kees, now in his 86th year; William A. Manning and David Jankau, both enjoying good health.

Presented With Gold Medal

The annual dinner of the Hartford Fire officials and field men held in Chicago March 11, 1917, was a notable one, because at that time Mr. Brooks was presented with the Hartford Fire's gold medal, commemorating an unbroken record for 50 years. Whitney Palache, vice-president, made the presentation address.

Mr. Brooks started his business career as an office boy just before his fourteenth birthday anniversary. He slept in a general store where he was employed. During his first years he received his board and $25. During the next four or five years he filled a number of positions. Later he was employed as a collector in the office of the city treasurer. For several years prior to 1866, John G. Jennings had conducted an agency in Cleveland, writing both fire and life insurance. Mr. Jennings desired to devote all his time to the general agency of the Mutual Life of New York. He had watched Mr. Brooks and was impressed with him. He made him a proposition to enter the Jennings agency to take charge of the fire insurance end of it.

Enters Fire Insurance Work

Mr. Brooks accepted this offer Sept. 1, 1866. He was then in his 19th year. From that day until his death Mr. Brooks had been continuously engaged in the business in Cleveland. While Mr. Brooks was not fully authorized to act as the Hartford Fire agent during his first year's connection with Mr. Jennings, although he did have power of attorney to sign his employer's name, yet to all practical purposes Mr. Brooks became a Hartford Fire agent Sept. 1, 1866. At that time George F. Bissell, father of President R. M. Bissell, was general agent at Chicago. George L. Chase was special agent in Ohio. Mr. Chase later became president of the Hartford Fire. Mr. Brooks' first experience in the field was in 1867-1868 as special agent of northern Ohio under Alexander Stoddart for the New York Underwriters Agency. George F. Bissell appointed Mr. Brooks as special agent for the Hartford Fire, his title being changed afterwards to manager.

DECISION OF IMPORTANCE IN LOSS ADJUSTMENT

A decision held by adjusters to be of far reaching importance was given by Judge Thomas H. Darby in Hamilton County Common Pleas Court recently. Solomon Rosenbaum had a policy of $1,000, on a dwelling house in Cincinnati, the policy having been written by the Hamilton County Mutual Fire . A fire occurred Dec. 16, 1925, and later Rosenbaum accepted $475 from the company as payment in full for the loss. The draft was cashed, releases were signed and apparently the entire loss was completely settled. On the day following acceptance of settlement from the company by Rosenbaum, the building department of Cincinnati refused the permit for repairing the structure, holding that it had been too seriously damaged by fire and would have to be removed. Rosenbaum then sued the company for total loss under his policy and Judge Darby held that there had been a mistake for which neither party was responsible and that Rosenbaum should not have been held to the original settlement.

Gets West Virginia Agency

The Allemannia Fire of Pittsburgh has appointed the Joseph Emsheimer Insurance Agency of Wheeling as general agent for West Virginia. The company has a considerable plant in the state and the agents will hereafter report to the Emsheimer agency. The agency is owned and is under the management of Charles and Milton Schlesinger, grandsons of the founder of the agency. They are general agents for other fire companies covering West Virginia, eastern Ohio and western Pennsylvania. On July 1, the agency celebrated its 55th anniversary, having been established in 1873. West Virginia heretofore has been reporting to the Pittsburgh department for the Crum & Forster companies.

Carey to Return to Field

Harry W. Carey, formerly well known in Ohio as a field man, who has been engaged in real estate and insurance in St. Petersburg, Fla., for three years, is now at Pontiac, Mich., visiting his daughter. He may return to field work either in Ohio or Michigan.

N. F. P. A. Engineers Suggest Changes

Engineers of the National Fire Protection Association who recently inspected Canton, O., report that the fire prevention committee of the city's chamber of commerce has been enlarged and that progress is being made toward a building code. The principal needs of the city beside the building code are reported to be a fire prevention bureau, a fire department drill school, fire resistive fire alarm headquarters and a strengthened water supply system.

Engineers also inspected Youngstown, O., and advocated a fire prevention bureau for the fire department. The engineers also recommended rehabilitation of the city's fire alarm system. A building code is in the hands of the city law department for review previous to its presentation to the council.

Open New Agency

The Capitol Square agency, which will write all forms of insurance, has been opened at 220 Hartman building, Columbus, by Walter R. Fogg and Carl F. Weiffenbach. Mr. Fogg represents the New York Fire and Mr. Weiffenbach the Columbus Mutual.

Inspection Bureau Vacations

Most of the employes of the Ohio Inspection Bureau will take their vacation from Aug. 20 to Sept. 4. In that period only a skeleton organization will be maintained in the various offices of the bureau in the state.

Hites Represents Bankers & Shippers

In the July 5 issue it was erroneously stated that Thomas A. Hites, new vice-president of the Ohio State Fire Prevention Association, represents the Northern of New York. Mr. Hites is Ohio and Kentucky state agent of the Bankers & Shippers.

Ohio Notes

Bellecenter, O., is preparing to purchase motorized fire equipment at a cost of $1,800.

John L. Kneisley, aged 68, an insurance man of Dayton, O., was killed a few days ago when his automobile was struck by a train.

The Insurance Underwriters Agency of Akron, O., has been incorporated at Columbus by Charles S. Wachner, Ernest J. Bohn and M. G. Egan.

The Princeton clothing store and the P. J. Myers shoe store in the Rauh building in Dayton, O., were damaged to the extent of $75,000 by fire Sunday.

L. C. Shaul, general agent, western department of the Phoenix Assurance, has been spending two weeks in Ohio. While in the state Mr. Shaul visited agencies in company with special agents of the Phoenix, Ernest W. Kobman and E. W. Powers.

CENTRAL WESTERN STATES

SEVERE STORM IN INDIANA

Indianapolis Residences Suffer as Well as Rural Districts in Central Part of State

On the night of July 4 severe electric storms swept through central Indiana and did damage to crops and property estimated at $2,000,000. While there appeared to be no attendant tornado, at some points the wind caused destruction that appeared to be of tornado type. Through the northern section of Indianapolis there was a strip about a mile wide in which the force of the storm was peculiarly demonstrated, hundreds of large shade trees being demolished. The damage to buildings appeared to be limited to such cases as

XUM

LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL

NEAL BASSETT, President
A. H. HASSINGER, Vice President

JOHN KAY, Vice President and Treasurer
WELLS T. BASSETT, Vice President

JANUARY 1ST, 1928, STATEMENTS

ORGANIZED 1855

FIREMEN'S INSURANCE COMPANY
OF NEWARK, NEW JERSEY

ASSETS	LIABILITIES	CAPITAL	NET SURPLUS	SURPLUS POLICYHOLDERS
$40,000,136.83	$19,459,279.01	$7,500,000.00	$13,040,857.82	$20,540,857.82

ORGANIZED 1853

THE GIRARD F. & M. INSURANCE COMPANY
OF PHILADELPHIA, PA.

$6,000,966.28	$2,930,594.84	$1,000,000.00	$2,070,371.44	$3,070,371.44

ORGANIZED 1854

MECHANICS INSURANCE CO.
OF PHILADELPHIA, PA.

$4,828,245.29	$2,820,808.68	$600,000.00	$1,407,436.61	$2,007,436.61

ORGANIZED 1866

NATIONAL-BEN FRANKLIN FIRE INS. CO.
OF PITTSBURGH, PA.

$4,907,721.63	$2,557,216.60	$1,000,000.00	$1,350,505.03	$2,350,505.03

ORGANIZED 1871

SUPERIOR FIRE INSURANCE CO.
OF PITTSBURGH, PA.

$4,835,369.35	$2,520,317.56	$1,000,000,00	$1,315,051.79	$2,315,051.79

ORGANIZED 1870

CONCORDIA FIRE INSURANCE CO.
OF MILWAUKEE, WIS.

$5,250,424.26	$2,567,447.92	$1,000,000.00	$1,682,976.34	$2,682,976.34

ORGANIZED 1886

CAPITAL FIRE INSURANCE CO.
OF CONCORD, N. H.

$760,298.04	$375.00	$300,000.00	$459,923.04	$759,923.04

TOTAL OF ASSETS
$66,583,161.68

TOTAL OF LIABILITIES
$32,856,039.61

TOTAL NET PREMIUMS
$25,684,495.78

WESTERN DEPARTMENT
844 Rush Street
Chicago, Illinois
H. A. CLARK, Manager
Assistant Managers
H. R. M. SMITH
JAMES SMITH JOHN R. COONEY

EASTERN DEPARTMENT
10 Park Place
NEWARK, NEW JERSEY

CANADIAN DEPARTMENT
461-467 Bay Street
TORONTO, CANADA
MASSIE & RENWICK, Limited,
Managers

PACIFIC DEPARTMENT
68 Sansome Street
San Francisco, California
W. W. & E. G. POTTER,
Managers

LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL

THE OLDEST FIRE INSURANCE COMPANY
NEWARK
A Good Company for Agents
A Record of 117 Years of Faithful Service to Recommend It
NEWARK
FIRE INSURANCE COMPANY
NEWARK, N. J.
T. L. FARQUHAR, President
WESTERN DEPARTMENT
CHICAGO
ELWIN W. LAW, General Manager

THE
EAST and WEST
INSURANCE COMPANY of NEW HAVEN
CONNECTICUT

Do you need in your Agency a Company capable of understanding your needs, one willing to help work out your fire insurance problems?

Do you want in your Agency a Company that pursues a stable and consistent underwriting policy year after year?

The East and West is such a Company. It is a valuable addition to any Agency.

Owned by and under the Management of
Security Insurance Company of New Haven

Western Department
ROCKFORD, ILLINOIS
Walter D. Williams, Manager

resulted from falling trees and branches. Very few buildings were blown down or damaged seriously by wind directly.

Residence District Damaged

For the past two months there had been excessive rainfall in this part of Indiana and because of this the ground was saturated with water to an unusual depth and also due to the heavy rains the foliage on the trees was unusually heavy, with the result that trees were literally pushed over and uprooted by the pressure of the wind. Forest Hills, a choice residence district in the northern part of the city, was the center of the heaviest losses in Indianapolis as a large percentage of the shade trees in this heavily wooded district were completely or partially destroyed and many houses were damaged by the falling limbs and tree trunks.

Many Claims Filed

The damage in rural districts was also large and many windstorm loss claims have been filed. Field men in Indianapolis are receiving notices of such losses from all parts of the state. One farm special opened a telegram Monday morning which told of one of his agencies which already had 102 claims filed for windstorm losses. Considerable windstorm insurance is carried in this part of Indiana because of the destructive tornado which caused over $1,000,000 in losses in Indianapolis in May of last year, so any windstorm is now followed by an unusual number of claims. Since the storm of July 4 there has been an increased demand for windstorm insurance. It is an occasion of comment that destructive windstorms are becoming more common in Indiana than they used to be in the past and practically all institutions and individuals who make loans on real estate now require at least enough windstorm insurance to protect their interests.

Indiana Agents' Meeting

The Indiana Association of Insurance Agents has decided to hold its annual meeting at West Baden, Sept. 17, or Monday of the week when the National Association of Insurance Agents is scheduled to hold its annual meeting there. In this way a large attendance is anticipated and also more of the state members will attend the national convention.

Gives Opinion on Lloyds

At the request of George Huskinson, Illinois superintendent of insurance, Attorney-General Carlstrom has given an opinion on the question whether the Illinois insurance law provides that the available assets of a Lloyds organization must be on deposit or physically within the limits of Illinois or one of the states of the United States or whether the requirements of the law may be met without such deposit within the state. He says in part:

"It is my opinion that a Lloyds association may comply with the requirements of subsection 5 of section 2 (of the act) by making such a showing as will reasonably satisfy the department that it has 'available assets' in the amount provided for in subsection 5 of section 2."

The subsection referred to provides: "That the available assets of such association for the payment of losses are at least five times the amount to be assumed net without reinsurance in licensed insurers upon a single risk cumulative for each kind of insurance."

Just Performs Valuable Service

Some time ago the Michigan Inspection Bureau decided there was an opportunity to render real service to fire departments, through providing facilities for firemen to acquire first hand information in the matter of fire extinguishment and rendering first aid to persons injured by fire or overcome by smoke. With this in mind, the bureau employed a fire department efficiency engineer, J. W. Just, who during the period July 15, 1927, to June 26 last, visited 111 towns in the state, 69 of which were visited more than once. He conducted 68 fire department drills, at which 1,146 firemen were instructed, and made 285 inspections in cooperation with members of various fire departments. Among the results of Mr. Just's activities during the past several months are the following: Seven new departments were organized and a like number reorganized. New trucks were purchased by eight towns and additional equipment by 28. Evidence of what is being accomplished through his activities is to be found in the case of the town of Fremont, where he inaugurated the system of having members of the fire department make inspections, the result being that Fremont carried off first honors in the 1927 Fire Waste Contest for towns of its class. Similar work is being carried on by the Ohio, Kentucky and Tennessee bureaus.

Hunt Opens Agency

John S. Hunt, active in insurance circles in Indiana since 1902, has opened an independent office at 918 Fletcher Trust building in Indianapolis, where he will write bonds and general insurance. Mr. Hunt was for a number of years general agent of the Fidelity & Deposit for Indiana. For several years he engaged in contract business, specializing on the construction of bridges. He also has a legal education.

Fort Wayne Losses Show Increase

FORT WAYNE, IND., July 11.—Fire losses in Fort Wayne for the first six months of the year showed an increase of several thousand dollars over the same period last year, according to the fire chief's report. The total estimated loss for the first six months is $54,445, while losses for the same period in 1927 were only $37,603.13. Fire losses in June were much lower than for any other month of the period.

Mutuals Now in Indiana

Twenty-eight senior mutuals have now entered Indiana and are writing business under the supervision of the state insurance department. Charles A. Woerner, head of the rating bureau of the state insurance department, has made a trip to the east to complete some of the necessary details relating to their admission to the state. Some of these companies have written business in Indiana for a number of years by mail. When Thomas S. McMurray, Jr., was commissioner, they sought admission to the state, but he maintained that they should pay back taxes on business they had been writing in the state. They objected but several months ago arrived at a compromise with Commissioner Wysong and arrangements were made for their admission. Their competition will be felt by stock company representatives on large risks of low hazards and good experience, especially sprinklered business.

Owosso Has Good Year

OWOSSO, MICH., July 11—Owosso enjoyed an unusually good fire loss experience during the fiscal year ending July 1. Total losses for the period amounted to only $14,000, a decrease of more than $7,000 from the previous year's record. Number of alarms answered fell from 239 to 184. As losses paid by insurance carriers amounted to $12,000 during the year, the net loss to property owners was exceptionally small. Rural losses to which the Owosso department was called amounted to $59,000 as compared with $75,000 for the previous year.

Clinton Trust Company Fails

The Clinton Trust Company at Clinton, Ind., was closed last Monday and a receiver will be appointed this week. It had a large and successful insurance department, representing some twelve Union companies. A number of field men are in Clinton this week looking after their companies' interests.

Fire Protection Service Extended

MUSKEGON HEIGHTS, MICH., July 11—Fire protection services of the local department are to be extended to Norton township on a contract basis, it was decided last week. Several nearby townships have recently entered into pacts whereby they agree to pay for protection afforded them by the facilities of the city after a lengthy controversy had resulted in orders to the department not to respond to rural alarms. Under the agreement with Norton township the residents of the district will be divided



into zones, costs of protection during the year being assessed to each zone on the basis of the fires occurring there. The local department will realize $25 for the first hour and $15 for each additional hour for fighting each fire.

Will Prorate Insurance

In expectation of the expiration of insurance on county property, county commissioners of Terre Haute, Ind., have informed the auditor that the $300,000 insurance on county buildings will be divided among 30 members of the Terre Haute Association of Insurance Agents. The decision is a victory for organization and is very pleasing to officials of the state association, who aided in organizing the Terre Haute association some time ago.

New Local Agency

LANSING, MICH., July 11—A new local agency has been opened here in the Mutual building by Col. J. C. McCullough and Homer D. Parker, both well known for a number of years in local business circles. The insurance business will be combined with a real estate brokerage office. Colonel McCullough is president of the Auto Owners here and Mr. Parker was one of the carrier's organizers.

Indiana Notes

A. C. Richardt, head of the Richardt insurance agency of Evansville, Ind., has been elected president of the newly formed Indiana Trust & Savings Bank in that city.

Articles of incorporation have been filed at Indianapolis for the City Underwriters Corporation with $50,000 capital. The incorporators are Harry C. Baldwin, Fred H. Reagan and James N. Lennox.

Gus J. Daseke, Indiana state agent of the Connecticut; W. M. Shaw, state agent of the Phoenix of Hartford, and H. H. Friedley, independent adjuster, who have had offices together in the J. F. Wild building at Indianapolis, have moved to 401 Chamber of Commerce building. As the Indiana Inspection Bureau and the Indiana Audit Bureau are both located in the Chamber of Commerce building, field men are being attracted to it.

Illinois Notes

Spencer & Lewis of Marseilles, Ill., will give an outing and golf tournament to their field men and friends July 18.

Mark Richard, who has been in the clothing business in Des Moines for 20 years, has purchased the La Bounta Insurance Agency at Galva, Ill., and he and Mrs. Richard will make their residence there.

NORTHWESTERN STATES

TEST HAIL DAMAGE TO CORN

Interesting Experiments Carried on by South Dakota College of Agriculture

PIERRE, S. D., July 11.—The state college of agriculture has been carrying out tests for several years to find out as nearly as possible just what damage hail does to growing corn under different conditions of growth and amount of damage done to the plant. The experiments were carried on by Dr. Hune, head of the agronomy department of the college, and his work is likely to be given consideration in adjustments of hail losses.

He finds that the period of greatest damage is when leaves are stripped from the corn during the period of tasseling. If the leaves are badly torn or stripped from the stalks at this period the crop is likely to be materially affected. Injury to the leaves before the corn plant has reached the tasseling stage is classed as not serious, as the plants are able to produce new leaves to repair this damage. Stripping of the leaves from the stalks after the tasseling period has passed, he finds, is not serious, as the leaves become less and less essential as the corn gets nearer to maturity.

These experiments have been carried on as nearly as possible under hail conditions, by stripping the leaves from stalks of growing corn during different

A Company for Good Agents

Twenty-three years of continuous progress have molded a reputation for the Home Fire Insurance Company of Arkansas that commands the confidence of every local agent. From an idea in 1905 this institution has grown to one of $1,750,711.46 assets and $500,000 paid up capital.

Wherever the Home Fire is located you will find a satisfied agent.

We have excellent agency opportunities in Arkansas, Louisiana and Mississippi.

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STATE OF PENNSYLVANIA
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Tourist Baggage *Automobile*
Inland Transportation *Parcel Post*
Use & Occupancy *Rent Insurance*

Acquire
THE OLD "STATE OF PENN"

On January 13 the HARTFORD ACCIDENT AND INDEMNITY COMPANY announced the offer of three awards: one of $500, one of $200 and a third of $100 for the best newspaper "statements" submitted by any licensed agent or broker in the United States. Contestants were asked to consider that a reporter from a local newspaper had entered their office and asked for an interview covering one or more of the following topics: The reasons for the growth of the Casualty and Surety business; the agent's opinion of Compulsory Automobile insurance; the tendencies and influences of Workmen's Compensation insurance; the question of whether or not states themselves should venture into the insurance business; the value and practicality of State insurance funds; and the attitude of companies in meeting claims and dealing with the public.

The following paper by MR. RICHARD CARY of Niagara Falls, New York, has been selected by the judges as deserving of the $500 award.

The winner of the second award of $200 is MR. E. KENNETH FRENCH of Hartford, Connecticut.

The winner of the third award of $100 is MR. AUSTIN MCELROY of Columbus, Ohio.

The judges were Mr. Clifton L. Sherman, Editor of *The Hartford Times*, Hartford, Connecticut; Mr. Winchell Smith, Dramatist, Farmington, Connecticut; and Dr. H. Parker Willis, Editor of *The Journal of Commerce*, New York City.

The three winning papers as well as a number of papers which received honorable mention have been published by the company in a booklet which will be mailed to any agent or broker on request.

A Newspaper Interview

By Richard Cary of Niagara Falls, N. Y.

YOUR subject is too broad to be covered in a brief statement. However, let's consider your first point, that is, the reasons for the remarkable growth of the Casualty and Surety business. The business itself is so diversified that an endless number of factors have influenced it. To illustrate this, let's consider the effect on practically every line of Casualty and Surety business produced by the automobile.

In Public Liability, Property Damage and Collision premiums alone, the auto contributes not less than thirty per cent. of the combined annual premiums of the insurance companies. This is its direct influence and the least interesting phase. What part it has played in awakening an insurance consciousness and appreciation of business and personal hazards, cannot be estimated. Indirectly the influence has worked out somewhat as follows:

Many a man has been changed by the auto, in a minute, from an asset to a family liability. The driver, his passenger or the pedestrian involved, witnessing or reading daily of serious personal injuries caused by automobile accidents, has taken out personal accident insurance in order to provide a continuance of his income.

The truck lumbering through the business street shakes off a lump of coal which the large tire of the sedan following in the rear shoots across the sidewalk and into a plate glass store front. This has happened so often that most of this glass is insured. As the proprietor ruefully surveys his cracked window and contemplates the by no means remote possibility that a piece of this glass may fall out upon some person walking on the sidewalk, he recollects that when a similar occurrence was called to his attention, he took out Public Liability insurance upon his store or building. He congratulates himself upon having taken this step.

When our merchant friend is ready to go home he takes his car out of a ten-story garage building carrying Public Liability, Property Damage and Collision insurance coverage on its driveways, floor spaces and elevators. As he turns into the common driveway leading into his private garage at his home, which driveway he shares with his neighbor, he notices the icicles hanging from the eavestroughs directly overhead and decides to have his Public Liability extended to cover his residence, garage and grounds.

XUM

The evening paper has glaring headlines telling of hold-ups and safe burglaries. The bandits or burglars "escaped in high-powered cars." The automobile has greatly increased the probability of escape and consequently the number of hold-ups of banks and business houses. As a result, Robbery and Safe Burglary insurance are today very generally carried.

Transportation for Burglars

In the evenings, particularly in the summer, entire families jump into cars and drive off for a long or short run, leaving the home unprotected. The sneak thief sees his chance and takes it. The next day most of the residents in that particular block, at least, that have not already done so, order Residence Burglary, Theft and Larceny insurance.

The factories that make the cars, the plate glass, the tires, the velour and all of the accessories, employing millions of hands, carry Compensation insurance, in addition to most of the insurance forms already mentioned. The oil refineries carry Explosion insurance; the distributors carry Product Public Liability and Property Damage insurance upon the tank cars that carry the gasoline to the distributing centers. The territorial distributor carries Contingent Liability insurance as protection against claims that arise from auto accidents involving the cars owned by his sales agents or local "tank wagon" distributors who supply the curb pumps and the service stations.

The banks, hotels and garages carry Forgery insurance to protect themselves against forged endorsements of checks, certified checks and money orders; merchants carry Fraud Bonds as the auto has extended their trading area to a point not covered by their local credit organization.

The auto sales agent, the gasoline distributor, the garage proprietor and all of the others in the chain carry Fidelity Bonds upon their salesmen, cashiers and collectors.

Bonds—and More Bonds

The municipality, the county, the state and the nation have raised millions of dollars to provide pavements and a network of improved roads. The banks with which the money is deposited file Depository Bonds to protect the taxpayers against the possibility of loss through bank failures. The contractor who builds the roads is required to furnish a bond that, first, guarantees that he will complete within the time specified the work for which he has contracted and, further, guarantees that his road will "stand up".

The curbstone pump proprietor requires a License Bond; the plumber who has connected the service station's "free water" tap with the city main was required to file a Street Opening Bond.

The attorney for the finance company that has reclaimed the car upon which payments are in default has filed with the court a Replevin Bond; the traffic signal violator has filed a Bail Bond and the defendant against whom the jury has found a heavy verdict for injuries produced by his car has filed an Appeal Bond and incidentally has resolved to carry insurance in the future and for the deservedly popular increased liability limits.

Early "P. D." Complications

Twenty-five years ago the motorist who could trap a chicken on the road or travel fast enough to catch up with and bump the farmer's nag boasted of his prowess. Soon it developed, however, that the "little red rooster" couldn't be paid for quite as cheaply "as he use'ter" and the "old grey mare" was not infrequently either a lineal descendant of "Maud S." or the potential dam of "Man of War", all of which had to be disputed or paid for accordingly. Every day was open season for the village constabules' pursuit of their sport of "soak the autoist". Into this mess stepped the insurance claim investigator and adjuster and it became possible for some one other than a lawyer or a millionaire to drive a car.

You will see that the auto has done a great deal for the development of insurance. But isn't it equally true that insurance by furnishing security to the owner, the manufacturer, the finance corporation, the taxpayer and all of the rest has established the confidence so necessary for the development of the automotive industry and all of its allied lines?

And Now the Aeroplane

Even if the saturation point is reached in automobile distribution, I do not believe the development of the insurance business will be retarded, for the reason that the indirect influence that I have attempted to illustrate has as yet been scarcely felt. Also just around the corner there is the aeroplane and its field commences where the automobile's leaves off. It cannot be substituted for the automobile for short hauls or in urban communities. It can make what is urban now, interurban; what is interurban, interstate, and what is interstate, international or even intercontinental. Nearly every form of insurance already mentioned will be affected by the aeroplane and many new and broader forms will be required. The plane will be capable of so much greater damage. It can destroy field crops, orchards and even substantial buildings or boats. It can freely defy and escape from state and even national authorities and jurisdictions. I firmly believe that it will be responsible for an even greater development in insurance than the automobile.

The Matter of Claims

There is only one other point that you state your editor is interested in that I want to touch upon and that is the attitude of insurance companies in meeting claims and in dealing with the public. To my mind the attitude of the large legal reserve companies accounts for the fact that they carry by all odds the greatest proportion of all forms of insurance. I refer specifically to the fact that these companies pay a legitimate claim promptly regardless of whether or not the claimant is in a position to collect owing to the amount involved being too small to justify legal action, or owing to the claimant being located away from the particular court jurisdiction in which the action must be brought, or due to the fact that there may be a hair-line contribution of negligence on the part of the claimant that affords a technical defense. I have seen cases where the payment of such claims has been dodged by certain companies whose distribution of business is comparatively local. Such action causes a resentment against insurance companies in general; whereas the broader attitude, even though it necessarily increases premium rates, is approved by the insuring public.

The auto owner who tours is wise if he carries his Automobile insurance in a company that has a distribution of agents in all parts of the United States and Canada so that in practically any village he will find an agent who in turn has a Claim Department located close by ready to give him service.

HARTFORD ACCIDENT AND INDEMNITY COMPANY HARTFORD, CONNECTICUT

XUM

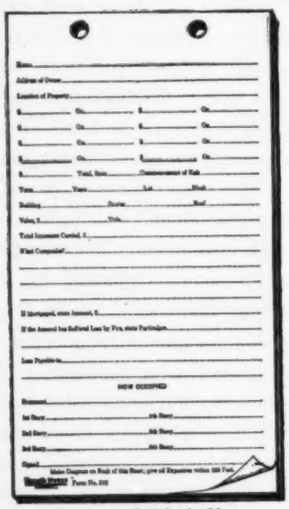
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Complete information about the risk, secured when order for policies are placed, saves time and prevents guesswork and errors. Form 510 (for fire) covers all the facts needed for writing the policy. The information can be quickly filled in, and the sheet gives the policy writer all the necessary information. Nothing is more convenient for handling business coming in over the phone.

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The sheets are of convenient pocket size, and are put up in pads, 50 sheets to a pad. If desired the RNU Binder, made of high grade, flexible, imitation Grain Cowhide leather, may be used as a cover when pads are carried in the pocket.

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RNU BINDER, 75c each

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INSURANCE OFFICE SYSTEMS SUPPLIES AND PUBLICATIONS

periods of its growth, and checking the yield with that of the rest of the field where no experiments were tried.

By applying the tests to corn fields which have been visited by hail, adjusters can come nearer to the actual damage which has been done to the field than they could by merely guessing what the damage is from looking over a field and taking the general situation as a basis of loss, regardless of the stage of growth of corn at the time it is injured by a hail storm.

GUSTIN DROWNED SAVING SON

Wisconsin Inspection Bureau Assistant Manager Well Liked By Men in Field

MILWAUKEE, WIS., July 11.—Insurance men here were stunned last week over the sudden, tragic death of L. R. Gustin, assistant manager of the Wisconsin Inspection Bureau, who was drowned last Friday night at Omro, Wis.

Mr. and Mrs. Gustin had a cabin on the river near there and they were crossing the river in a skiff with their son. The skiff was leaky and overturned. Mrs. Gustin could swim and they saved their son and she made land safely. Mr. Gustin had a heavy pair of boots on and it is believed that he exhausted himself in saving the boy, and trying to get his boots off so that he could get to shore.

Mr. Gustin was one of the best liked men in the Wisconsin field, where he had been in service several years. He was very able and had a thorough knowledge of the underwriting business. His sudden death brought a cloud of sorrow to the Wisconsin field men and the Bureau.

He was an inspector in the field for several years in Wisconsin and was then appointed manager of the Eau Claire branch of the Bureau. He was made assistant manager at Milwaukee seven years ago.

QUESTION AROSE AS TO VALIDITY OF SERVICE

Validity of Service on Insurance Commissioner where Plaintiff was Non-Resident, Action Arose Without State and Company Did Not Have Property Within State. Petition for a writ commanding defendant to dismiss an action commenced in this court by a foreign corporation against petitioner. The foreign corporation was an Illinois corporation licensed to do business in this state (Wisconsin). It had a plant in Chicago on which it carried fire insurance with petitioner and a number of other insurance companies and which was destroyed by fire. It had served a summons on the Wisconsin commissioner of insurance as the statutory agent for the insurance companies named as defendants in said summons which was entitled in the court of which defendant was the judge. Defendants were all foreign insurance companies licensed to do business in Wisconsin and two out of the thirty defendants were incorporated in Illinois. The material provisions were (b) of Subsection (2) of Section 20.38, Chapter 201, Wisconsin statutes and provided that foreign insurance companies should appoint the commissioner of insurance agent for service of process in actions against them and should agree in writing "that such authority shall continue in force so long as there is any liability outstanding against the insurer in this state, whether the license of such insurer to do business in this state shall remain in force or shall be revoked, or otherwise terminated."

Held, that the petition for the writ of prohibition must be denied. The court said that where by a special law relating to insurance companies, both domestic and foreign, and where the foreign insurance company desiring to do business in this state must consent that service upon the commissioner of insurance shall be as effectual for all purposes as though made upon a domestic insurance corporation, such statute (Section 201.38 (2) (c)) clearly put the foreign insurance corporation outside of the general foreign corporation statute, Section 262.09 (13) providing that such service could be made upon a foreign corporation only when the cause of action arose out of business transacted in this state or when the defendant had property therein. That such foreign insurance corporations are bound by their acceptance of their license to hold themselves amenable to the jurisdiction of this state's courts for a cause of action which may, no other provision of law preventing, be properly brought against them for a cause of action arising outside of this state in favor of a person or corporation not a resident of this state or organized under its laws and through the cause of action may not effect the property of such insurance corporations. State ex rel Aetna et al v. Fowler, Supreme Court of Wisconsin.

STORM HITS FOUR STATES; DAMAGE IS OVER MILLION

MINNEAPOLIS, July 11.—Property damage estimated at over $1,000,000, with loss of six lives, was sustained by four northwest states last week when heavy windstorms and tornadoes passed through sections of Minnesota, Wisconsin, North and South Dakota. Heaviest property losses were reported at Anoka, Minn., where a tornado hit a farm area northwest of town with an estimated property loss of $100,000. Twenty-five farms, many lake shore cottages and resorts suffered losses. St. Cloud estimated the damage there at $75,000 while Sabin, Moorhead, Staples and Verndale were other Minnesota communities reporting heavy storm losses.

Huge Grain Elevator Burns

MILWAUKEE, WIS., July 11.—Another grain elevator fire here last week caused one of the heaviest losses of the year to the fire insurance business. The elevator was the property of the J. M. Riebs Co., grain firm, and there was between 90,000 and 100,000 bushels of grain in the elevator. There were 46 companies on the loss and covered the Riebs company on a blanket form for a total of $305,000.

Headquarters in Minneapolis

The headquarters of E. C. Herberg, special agent for the Travelers Fire, have been changed from the St. Paul branch to the Minneapolis office. Mr. Herberg has been a special agent since 1926, at which time he became connected with the Minneapolis office. His headquarters were changed to St. Paul, July 1, 1927, where he remained until just recently. In his new offices he will have charge of the same territory for the Travelers Fire as when he was in St. Paul.

Fire and Explosion Loss at Minot

MINOT, N. D., July 11.—Inquiry is being conducted into the cause of fire and an explosion in the International Oil Company building here which caused two deaths, injured two others, and destroyed property estimated at $125,000. The fire jumped across the street and destroyed the Minot Distributing Company building with a loss estimated at $75,000, while the oil company's loss was placed at $40,000. The Farmers Elevator Company adjoining also suffered heavy loss.

To Form Prevention Bureau

Engineers of the National Fire Protection Association report that it is expected a fire prevention bureau in the Minneapolis Fire Department will be organized soon. The engineers recently urged the installation of a modern fire alarm system with isolated headquarters for St. Paul, Minn. The city also is in need of an ordinance prohibiting the use of wooden shingles. It is reported that 244 wooden shingle roof fires occurred in St. Paul the first five months of this year. The city's fire department

is handicapped by lack of men and equipment but is reported to be doing good fire prevention inspection work.

The engineers report that the fire prevention committee of the Duluth, Minn., chamber of commerce is doing splendid work. A committee meets twice a month throughout the year. It has written a fire prevention code and a fire prevention bureau ordinance which are to be presented to the city council soon. The committee is also undertaking a revision of the building code.

Plan Wisconsin Insurance Day

MILWAUKEE, WIS., July 11.—John A. Keelan, president of the Insurance Federation of Wisconsin, and general chairman of Wisconsin's Third Annual Insurance Day, has announced that Claude Bonner, manager of the Aetna Casualty at Milwaukee, will be chairman of the publicity committee for insurance day this year. Mr. Bonner's committee will include Mrs. E. I. Mehan of the Catholic Order of Foresters, and Henry Wiebrecht, secretary of the Badger Mutual Fire.

Walter W. Belson, executive secretary of the federation, is making a swing through the southern and central parts of the state enlisting the support of members for insurance day, and securing new members for the federation. Mr. Belson's work is preliminary to the membership drive which will be put on by the federation during September.

Dispute Over Oshkosh Claim

MILWAUKEE, WIS., July 11.—Federal Judge F. A. Geiger of United States District Court here has taken under advisement the case of the Hudson Company, Oshkosh, against several insurance companies which covered it. The Hudson Company is claiming $32,000 in claims, contending that it should have $8,000 for property loss and $24,000 for loss of revenue for 30 days as the result of a fire at its plant. The attorneys for the insurance companies state that the Hudson Company is entitled to only $4,500.

Wisconsin Notes

W. D. McClure, special agent for the Stuyvesant of New York, with headquarters at Joliet, Ill., is on a trip through Milwaukee and Wisconsin appointing new agencies for his company.

A sufficient water supply and a new combined fire truck and pumper will give the village of Whitefish Bay, Wis., suburb of Milwaukee, the best fire protection since the village was incorporated.

Mrs. Charles H. Baerwald, wife of Charles H. Baerwald, who is a member of the Hilbert & Baerwald Co., one of the leading local insurance agencies at Milwaukee, died on July 3, after an illness of four months. She is survived by Mr. Baerwald and her two sons. Mrs. Baerwald was active in social and club life in Milwaukee.

Clintonville, Wis., had a $100,000 fire on July 1 when one unit of the Clintonville Milk Company burned. The fire was discovered at 10:30 p. m., in the older section of the powdered milk factory and it is believed to have been started by spontaneous combustion. A newer unit of the plant which is of fireproof construction withstood the flames.

Property damage amounting to thousands of dollars was suffered at Minot, N. D., following the explosion of several tanks of the International Oil Company. The loss to the company is estimated at between $40,000 and $50,000 covering the loss of nine tanks. The Minot Distributing Company also was destroyed with a loss of $75,000 and the Farmers Elevator Company suffered heavy losses.

Appointed Temporary Secretary

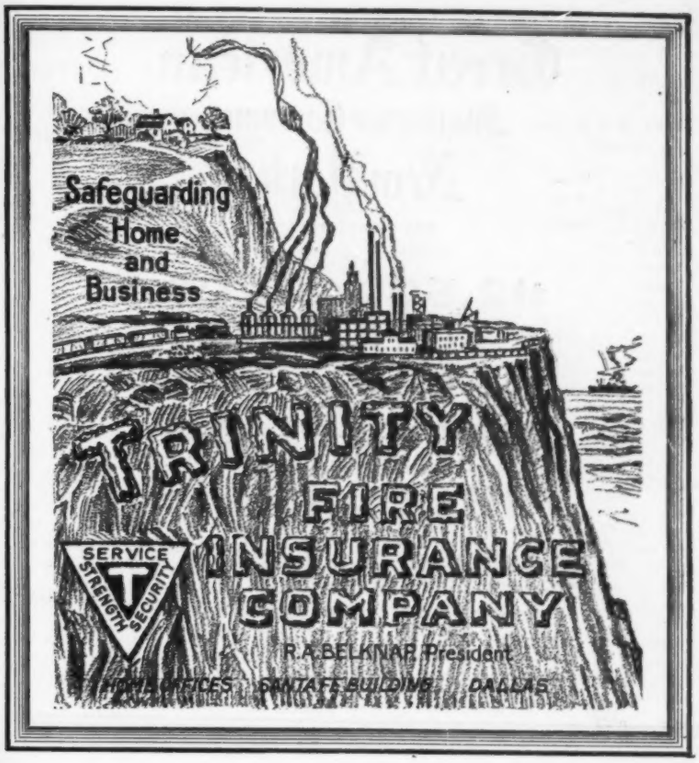
Past Most Loyal Grand Gander E. D. Marr of Kansas City, who has put through the Blue Goose group life insurance plan, has been appointed temporary insurance secretary of the order by Most Loyal Grand Gander T. L. Geraghty. The appointment will be until the Grand Nest meeting in Montreal, when a permanent secretary will be selected.

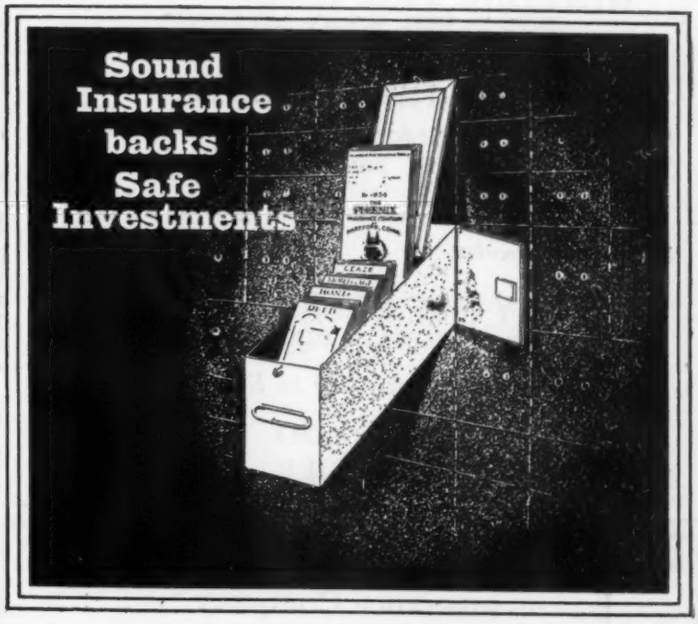
Miscellaneous Notes

President E. C. Jameson of the Globe & Rutgers sailed for Europe this week, expecting to spend several weeks abroad.

The "Hartford Agent" for June presents laundry bundle insurance in a novel and interesting way by the use of a one act play in which an insurance agent and a property owner play the two important parts. Some excellent reasons why laundry owners will buy this coverage are presented in a dramatic way.







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INCORPORATED-1872

STATEMENT JANUARY 1, 1928

CAPITAL
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RESERVE FOR ALL OTHER LIABILITIES
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NET SURPLUS
21,060,119.35

ASSETS
56,982,974.56

SURPLUS FOR THE PROTECTION OF POLICY HOLDERS
$33,560,119.35

LOSSES PAID POLICY HOLDERS
$194,691,909.09

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IN THE MISSOURI VALLEY

MAY FRAME VALUING METHOD

Legal Representatives of Kansas Will Seek to Formulate System for Determining Worth of Holdings

William A. Smith, Kansas attorney-general, and C. B. Randall, attorney for the public service commission, are preparing a suit to be brought in Shawnee county to determine the method of fixing the value of the property of the fire companies domiciled in Kansas. Suit to obtain a final court ruling on the question has already been filed to settle the life insurance tax question.

The matter of valuing the capital stock and assets of the insurance companies of Kansas has been in controversy for two years and now seems to be near settlement. The law provides that the fire companies must pay taxes on the value of the capital actually paid in, and the surplus. The companies contend that when they invest their capital and surplus in mortgages on which the registration fee has been paid and in bonds for which an intangible tax fee has been paid, these items of assets should be deducted from the capital and surplus and the tax levied on the balance. In compiling the assets the companies are permitted to make deductions of their legal reserves and unpaid policy claims.

Companies May Escape Tax

The state contends that the companies may deduct their reserves and unpaid policy claims and then list their mortgages and bonds and other proper securities and deduct enough to bring the taxable value to the actual paid-in capital and surplus. If the companies are sustained they may escape all state and local taxation by reason of having their capital and surplus invested in mortgages and bonds. The companies assert that any other method would mean double taxation, as the fees on the securities had already been paid. The state insists that the companies are not to be permitted to deduct anything below the actual capital and surplus and that the taxes must be paid on the full cash value of these two items, regardless of how much may be invested in tax-exempt securities.

TORNADO CLAIMS PAID IN ONE LOCALITY AID TO SALES

DES MOINES, July 11.—Field men declared that local agents are missing a great opportunity by not placing more stress on tornado risks and devoting more time to solicitation of business in the rural districts.

Recently a tornado wrought havoc in a strip of rich farming lands in Adams county, near Corning, Ia. It appears that a severe storm in that locality a year or so ago had convinced farmers of the necessity of taking out tornado insurance, and thus when the recent destructive visitation came provision had been made for security. Some were indifferent about the matter and lost heavily by their negligence. Adjusters were early on the ground, and satisfactory settlements were made in every case.

Reference to the list of claims paid in this one locality as the result of a single storm should convince doubting farmers of the need of the protection of buildings and crops against such disasters. The losses paid were: Ed Metz, $3,447; Bob Riley, $6,600; J. H. Metz, $5,000; J. C. Reese, $450; L. I. McCaffery, $630; L. C. Bush, $320; Mrs. Lura Bush, $1,365; Mrs. Frank Heaton, $3,000; O. L. Johnson, $1,115; Tom Anderson, $107; Harvey Riley, $1,724; Robert Buxton estate, $1,971; Mrs. Frank Miller, $1,267; Fred Chapman, $600; Clarence Bush, $2,400.

HOLDS SECTIONAL MEETING

Missouri Association of Insurance Agents Gather at Trenton to Hear Fine Program

The Missouri Association of Insurance Agents held its second sectional meeting in Trenton last week with more than 60 local agents from the north central part of the state in attendance. While the first meeting held in St. Joseph represented largely the agents from the larger towns, the Trenton meeting reached the agents whose problems are those of the small city and town.

Court P. Allen, president of the Trenton association, welcomed the visiting agents, and B. J. Fradenburg, president of the Missouri association, presided and responded in behalf of the association. The morning session was largely educational. John T. Rector, special agent of the Aetna Casualty, discussed the development of casualty lines. Glen D. Mathews, editor of the "Insurance Magazine" spoke on the "Benefit of Insurance Publications to the Agent." "The Agent's Rating Problems in Fire Insurance" was the subject of a talk by W. A. Cox, of the improved risk department of the Missouri inspection bureau. R. E. Daly, actuary of the Missouri insurance department presented the greetings of the department.

Association work from the point of view of county, local, state and national associations was the subject of the afternoon session. Lurton H. Stubbs of Cedar Rapids, special representative of the National association, discussed the work of the National association and urged cooperation. "What the County Association Can Do" was the subject handled by J. U. Brown of the Putnam county association. P. K. Weis, secretary of the Moberly association, spoke on what a local association can do. Wilbur F. Maring, Jr., secretary of the Missouri association, told of the work of the state association. A luncheon was served at noon for the visiting agents and field men by the Missouri association.

N. Dekker to Marry

N. Dekker, southern Kansas special agent for the America Fore group will be married July 13 to Miss Dora Ramskill of Topeka. Miss Ramskill has been connected with the Topeka office of the Kansas Inspection Bureau for the past five years but has resigned her position. The newlyweds will start up housekeeping in Wichita, where Mr. Dekker will headquarter in the future, after an extended wedding trip.

Lincoln Agencies Combine

LINCOLN, NEB., July 11—The Loder-Coe agency, dealing largely in casualty and surety lines, has been merged with the Williams-Cowan-Robertson Company, which will hereafter be known as the Williams-Coe-Robertson Company, with A. H. Robertson president; H. D. Coe, vice-president, and Terry A. Williams, secretary and treasurer.

Opens New Agency

John R. Thompson of Muscatine, Ia., has opened an insurance agency at 601 Laurel building, where he will conduct a business in fire, theft, life, health and accident insurance. He was formerly with W. F. Bishop company for more than six years.

Des Moines Adopts Building Code

Engineers of the National Fire Protection Association report that a new building code has been adopted by Des Moines, Ia. A drill-master has been appointed for the city's fire department. It is reported the city is in need of constructive fire prevention work and the assistance of the chamber of com-

merce in a permanent fire prevention program is being sought.

Kansas City Losses Increase

KANSAS CITY, MO., July 11.—Fire losses for the first six months of 1928 in Kansas City represented an increase of $222,717 over the same period last year. Last year the fire losses up to July 1 were $805,249. That was the lowest figure by more than $200,000 for any year in the last fire-year period. Up to July 1, 1928 the fire losses in Kansas City have been $1,027,966.

The number of fire during this period was 2,471 as compared with 1,567 last year. June has shown a substantial increase over the same month last year with a fire loss total of $91,112 as compared with $68,849 for June, 1927. The number of fires increased from 191 last June to 221 in June, 1928.

Without Water for Day

Kansas City, Kan., was practically entirely without water supply during most of the day of July 5 due to the breaking of a 30-inch water main. All of the mercantile and industrial sections of the city were thus without fire protection but some of the lower residence sections had a small pressure.

Fire-Resistive Roof Clauses Adopted

J. Elmer Ball, chairman of the ordinance committee of the Missouri State Fire Prevention Association, reports that of the 42 cities and towns of the state which have enacted fire prevention ordinances within the past few years, 33 have included the provision requiring fire-resistive roof covering for all new buildings within the corporate limits, and limiting the percentage of repair to wood shingle roofs which have been damaged by fire, decay or otherwise. Of the cities and towns that now include the fire-resistive roofing clause with other fire prevention ordinances, 23 have been added to the list since last September, as a result of the activities of the committee of which Mr. Ball is chairman.

Golfers at Blue Goose Party

Johnny Farrell, new American open golf champion, and Gene Sarazen, former holder of the title, put on a match game for the benefit of the ganders of the Nebraska Blue Goose on June 29, at Omaha. Sarazen tied the course record with a 68 to beat Farrell by three.

The ganders themselves played golf during the day and in the evening attended a dinner with their wives. Following the initiation of five goslings, the rest of the evening was devoted to dancing. There were 91 ganders and their wives at the party.

Crop Loss Not Estimated

DES MOINES, IA., July 11—The loss occasioned to crops in last week's storm which hit north, west and central Iowa with both wind and hail, has not yet been estimated for the entire section. Atlantic, Ia., however, reports that property damage caused by winds south of the town on the morning of July 4, has been estimated to exceed $100,000. Many houses were damaged and smaller buildings wrecked. Numerous trees were uprooted and telephone lines broken.

Association Has First Picnic

When the Wichita Association of Insurance Agents held its first annual mid-summer picnic for office employes and families over 40 were present, representing 16 of the 17 agencies that are members of the newly formed board. Willard Quinn of the Kansas Underwriters was master of ceremonies in the absence of President C. I. Cochran. Short talks were made by C. H. Hatton, Tom Lindley and Mr. Quinn. It was unanimously decided to hold similar affairs at least annually.

At the regular meeting of the association the Angle Brothers Agency was voted to membership. It was voted to hold regular meetings in July and August but only on the second and fourth Tuesdays instead of weekly meetings.

Nebraska Notes

Lightning struck a large barn on the J. D. Stack farm near Shelton, on the night of July 5, and caused a loss of $3,500 to the structure and contents; partially insured.

Defective wiring caused a loss on July 4 to the Cohn ladies' ready-to-wear store at Fremont, very largely in the fur room, through which a wire had been run without proper insulation. Damages to furs owned and stored will reach several thousand dollars.

Six thousand dollars damage was caused by the total destruction of a large house belonging to Mrs. Frank Miller, on a farm southwest of Shelton, on July 6. Shelton and Gibbon fire departments responded, but arrived too late.

The cafeteria and one of the supply feed barns at the Ak-Sar-Ben race tracks at Omaha was burned July 2, causing a loss of $7,500, only partly covered by insurance. James McLean, a crippled jockey, who was sleeping in the barn, was burned to death and another man severely burned.

All low loss records for the Lincoln fire department were shattered in June, reports Fire Chief Hansen. There were forty-four alarms turned in with a total insurance loss of $400, which is an average of less than $10 per alarm. Last year June showed a loss of $8,270, with fifty-five alarms.

Missouri Notes

St. Louis police are investigating a fire which did $7,400 damage to five firms in the Fashion Square building, 1307-09 Washington avenue, at 9:30 a. m., July 4.

O. W. Hageman of St. Louis has been appointed a No. 2 agent for the Potomac and Milwaukee-Mechanics and will be supervised by the Mercantile Insurance Agency.

Spontaneous combustion is believed to have caused a fire which did $12,000 damage in a 5-story brick building at 412-414 North Sixth street, St. Louis on July 8.

A mysterious explosion followed by fire destroyed a two and half story frame residence at Herd and Orchard avenues, Jennings, Mo., the night of July 6. Loss $20,000.

The two-story brick Hodiamont building at St. Louis was wrecked on July 6 by an explosion. Damage was estimated at $10,000. Police and firemen found the remnants of an elaborate arson plant in the second floor rooms.

Thomas S. Ridge, Jr., president of the Insurance Agents Association of Kansas City, was held up and robbed of $15 as he and his wife were driving into their garage. Two men followed Mr. Ridge to the garage from the street.

Fire last week destroyed two industrial plants in Poplar Bluff, Mo., with a total loss of $35,000. The Morrison hoop mill, the oldest manufacturing plant of its kind west of the Mississippi river, and the Ruth Lumber Company were the losers. Insurance did not cover the property loss.

Kansas Notes

The Kansas Inspection Bureau has published new rate books for Howell and Ozawkie.

A. M. Hutton of the Hutton & Son agency, Wichita, has returned from a six weeks' motor trip to Washington, New York and the eastern coast. Mr. Hutton was accompanied by his wife and daughter.

W. J. Bauerle of the firm of Dulaney, Johnson, Yankee & Priest of Wichita has returned from Seattle, where he was a delegate to the Kiwanis International. On his return trip he spent several days in California.

A $50,000 loss was suffered last week by the Metz Lumber Company of Wichita when their Muskogee, Okla., yard was totally destroyed. Practically full coverage insurance was carried, much of it in the stock companies.

The last frame structures in the fire limits of Great Bend, Kan., were destroyed by fire of unknown origin July 5. The buildings were occupied by a restaurant and harness shop and the loss only partially covered with insurance.

Frank T. Priest of Dulaney, Johnson, Yankee & Priest, Wichita, member of the executive committee of the National Association of Insurance Agents, and Mrs. Priest are on a month's motor trip to St. Louis, Chicago and the eastern coast. Mr. Priest will attend the meeting of the executive committee at White Sulphur Springs before returning.

Elmer Beezley, of the Dulaney, Johnson, Yankee and Priest agency, of Wichita, and Mrs. Beezley are leaving July 12 for a vacation trip by motor to the Colorado Rocky Mountains. Mr. Beezley was with the Beezley, Baurle & Ingram agency until the recent consolidation of that agency with the reorganized Dulaney, Johnson, Yankee and Priest agency.

Ralph L. Parsons, who has been connected with the First National Bank of Iowa City, Ia., for 22 years, has become a partner in the S. T. Morrison & Co. insurance agency in that city. Mr. Parsons purchased a half interest. The firm name will remain the same. Mr. Parsons will continue as a director of the bank.

STATES OF THE SOUTHWEST

MURCHISON IS IN CHARGE

T. E. Braniff Co. of Oklahoma City Decides to Separate Its General and Local Agencies

The local agency of the T. E. Braniff Company of Oklahoma City has been separated from the general agency and is now located at 318 N. Robinson street in the Braniff building. Dan M. Murchison has been placed in charge of the local department of the Braniff Company and the local agency of the newly organized Prudential Fire. Mr. Murchison started in 1906 in the home office of the Piedmont Fire at Charlotte, N. C. Later he became its special agent. Then he resigned to accept the state agency of the Rochester Department in Virginia and North and South Carolina. He resigned to go with the American Eagle in the same territory. He then went to Oklahoma as special agent for the National Union. More recently he has been connected with the Bates Adjustment Company in Oklahoma City.

Arkansas Department Reports

The Arkansas department of insurance reports that 110 stock fire and marine companies were licensed in the state in 1927. Thirty-nine were insurance companies and 33 mutuals and reciprocals were also licensed. The financial statement for the year shows the total receipts in the department for 1927 in taxes amounting to $660,034. Disbursements by the state for the expenses for the department amounted to only $16,650.

Texas Pond Annual Meeting

With 100 ganders present the annual splash and initiation of the Texas Blue Goose was held at Wahoo Lake in southeast Dallas. Carl M. Hunt was elected most loyal gander; Fred Gibbons, supervisor; George James, custodian; Charles D. Rankin, guardian; Robert W. Fort, keeper, and A. H. Haynes, wielder, succeeding Herbert H. Sutton, who had held that post since the pond was organized in January, 1921.

Guards for the new year are Douglass Bodenhamer, Carl E. Doss, H. Guy Alexander, W. J. Lacy, C. W. Childress, Jr., and D. K. Church. S. C. Kennedy and Herbert H. Sutton are the delegates to the grand nest, with J. D. Buckalew and Erwin D. Stebbins as alternates.

Huge Fire at Dallas

Three men were injured and fire loss of more than $50,000 caused by the burning of the A. K. Auto Top Company at Dallas, Tex., last Friday. Seventeen automobiles in the shop were destroyed or damaged almost beyond salvage value. A short circuit in the exhaust fan in a paint room started the fire and the inflammability of the contents of the building soon put the fire beyond control and only the brick walls were left standing.

Prudential Fire Starts Writing

July 1 marked the opening at Oklahoma City of the offices of the Prudential Fire, recently organized with T. E. Braniff, president. Forty agency appointments in Oklahoma have been made and business has been received from practically the entire list, according to Mr. Braniff. Home offices have been established in the Braniff building. The plan is to develop Oklahoma thoroughly before branching out into other states, Mr. Braniff said.

Texas Losses for May

AUSTIN, TEX., July 11—Fire losses in Texas in May, figured on 467 fires officially reported to the insurance department, aggregated $916,445.

Fires of unknown origin, numbering 118, caused losses of $301,073. Electricity caused 40 fires, with losses of $279,889. Twenty-four incendiary fires were reported, resulting in losses of $48,783. Matches and smoking caused 47 fires, with losses of $48,242.

AROUSED OVER DEVELOPMENT

Companies Being Forced Out of Texas Agencies Because of Branch Office Service

NEW YORK, July 11.—From Texas comes the disquieting news that several important companies have been forced out of long established agency connections through the announced willingness of rival institutions to write the business through the medium of branch offices, relieving the local men of all office and clerical expense. How far the practice is likely to extend is a question. If it is to become general, a lively situation is sure to develop in the state, for companies with extensive field connections there are not disposed to sit tamely by and witness the uprooting of agency plants they have built up through the years at a considerable expenditure of time and money. Developments are being closely watched. It may be that non-policy-writing agents may become an issue in Texas as it already is in New Jersey and other sections of the country.

Fort Worth's Fire Loss Decreased

FORT WORTH, TEX., July 11—Fire loss in Fort Worth for the first six months of 1928 was only about one-third as large as for the corresponding period in the year previous, according to the report of Fire Chief Ferguson.

The loss for the last six months totaled $269,170, compared to $626,577 from January to July, 1927.

Employes Enjoy Picnic

A picnic of the home office employes of the Automobile Underwriters of Dallas, Tex., was held at Kidd Springs July 6. This is an annual affair and was participated in by all the home office officials and employes.

Texas Blue Goose Elects

DALLAS, TEX, July 11—At the annual meeting of the Texas Blue Goose, the following officers were elected:

Carl M. Hunt, most loyal gander; Fred Gibbons, supervisor; George James, custodian; Charles D. Rankin, guardian; R. W. Fort, keeper; A. H. Haynes, wielder.

Another Damaging Storm

Storm losses throughout west Texas last week, with fires set by lightning caused by the electrical flashes, added another $250,000 to the season's already enormous figure. Every derrick in one oil field was leveled, two immense oil tanks were fired by lightning, 25 houses in one community were razed and at least that many more over the scattered path of the storm were blown to bits.

Oklahoma Notes

A fire last Friday night practically destroyed the Muskogee Lumber Company's yards and did serious exposure damage.

L. I. Baker, secretary of the Local Board, with his wife and family, left July 3 for an extended motor trip. They will visit Fort Wayne, Ind., Detroit, Cleveland and other northern cities before returning.

The Mitchell Elevator, Pauls Valley, representing an original investment of $15,000, was totally destroyed by fire. The building was erected 15 years ago, and for several years was operated successfully. Owners of the property believe the fire was of incendiary origin.

Loss estimated at $60,000 resulted from a fire which caused practically a total loss to the office and warehouses of the Oklahoma Improved Seed Company at Chickasha, Okla. The warehouse and contents of the Sigmon Furniture Company also were damaged to the extent of several thousand dollars.

The warehouses and other buildings of the Oklahoma Improved Seed Company at Chickasha were destroyed by fire entailing a loss of between $50,000 and $70,000. The loss is 90 percent covered with insurance. Origin of the fire has not been determined. Some damage was

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done the property of the Sigmon Furniture Company, adjacent.

Among the disasters occurring July 4 in Oklahoma was the partial destruction by fire of the Tonkawa Petroleum Company's refinery, entailing loss roughly estimated at $50,000. R. B. Kimbrough, an employe, was injured in the fire, which originated with an explosion in one of the stills. The refinery was being operated by the Globe Refining Company of Blackwell, Okla.

Texas Notes

The Strasburger Slaughter House at Temple, Tex., sustained several thousand dollars damages from a fire which originated in burning trash.

W. M. Miller, prominent in insurance circles in Dallas from 1878 till his retirement eight years ago, died at the age of 75 recently, from a stroke of paralysis.

Fire, following the explosion of a still at the Tonkawa Petroleum Company at Tonkawa, Oklahoma, destroyed the building, but firemen concentrated their efforts on the oil supply tanks which were saved.

Fire last week destroyed the main building of the Denton (Tex.) Milling Company, with damage estimated at $50,000 to the building, machinery and stocks of wheat and flour. Water damage was very heavy.

Three workers were badly burned and heavy property damage caused by the explosion of an oil well at Pampa, Tex., Wednesday. Officials of the company are at a loss to explain the cause of the blast.

Fire, originating in the Rogers picture show at Rogers, Tex., Saturday, destroyed that building, its contents and two adjoining buildings. Only the veering of the wind saved the rest of the business block which was threatened by the progress of the fire. Though an accurate estimate cannot yet be had, damage will probably run near $50,000.

IN THE SOUTHERN STATES

FARM BUSINESS HAS IMPROVED

Losses in Southeastern Section Unusually Light and Fewer Policies Have Been Lapsed

ATLANTA, July 11.—Generally improved conditions in farm insurance are reported here for the first six months of the year. While the amount of business written has not been heavy, this has been more than compensated for by unusually light farm losses.

This, farm department managers say, is due to the fact that companies are more careful than they have ever been in regard to the policies they write and also to the fact that a greater proportion of the insurance being written covers barns and outhouses as well as dwellings.

Not only are fewer losses being sustained, but it is reported that there are fewer lapsed policies. Insurance men put this down as due to increased diversification and the introduction of more livestock on the southern farm. The farmer is no longer placing all of his eggs in one basket—depending too much on the cotton crop to carry him along—and he is thus better able to meet the premiums on his policies when they come due each year.

Some companies report a greater insistence on the writing of tornado and hail insurance. They are insisting that agents write more of this business with fire insurance as a means of compensating for fire losses.

While tornado losses in the southwest, particularly in Texas and Oklahoma, have been heavy the past sixty days, windstorm damage in the southeast has been light thus far this year.

Globe & Rutgers in Georgia

Following the retirement on July 1 of Hurt & Quin, Atlanta, as general agents of the Globe & Rutgers for Georgia and Florida, and their appointment as representatives of the Sylvania for South Carolina, Georgia, Alabama and Florida, the Globe & Rutgers has selected A. F. Fitzsimons as its state agent for Georgia as of July 15. Mr. Fitzsimons, who will maintain headquarters at Atlanta, has been connected with the National Liberty for some time past, and is well posted as to underwriting conditions and agents in the Georgia field.

The appointment of a representative for the Globe & Rutgers in Florida will be announced shortly.

Losses Decrease in Louisville

LOUISVILLE, KY., July 11.—Louisville had in the first six months of 1928 its best fire loss record in many years, according to Capt. John B. Kirley of the Louisville Salvage Corps. Fire losses for the first six months of this year amounted to $325,619, as compared with $353,526 in the corresponding period of 1927, $643,854 in 1926 and $950,289 in 1925.

IS STRONG FOR COOPERATION

New President of Kentucky Association of Insurance Agents Is Enthusiastic in His Work

Harry B. Wilson of Irvine, Ky., the new president of the Kentucky Association of Insurance Agents, served for 10 years in the county court clerk's office. He entered the insurance business in 1912 and has been actively engaged in it ever since. He is 40 years of age and is a native of Kentucky, having been



HARRY B. WILSON

born in Shelby in that state. He joined the Kentucky Association of Insurance Agents early in his career and has been an officer for a number of years. Mr. Wilson is a firm believer in cooperation and his administration will be carried out with that principle as its basis.

Chattel Mortgage Decision

Defendant interposed an affirmative defense that the policy of insurance involved in this case contains a provision that, "Unless otherwise provided by agreement in writing added thereto, this company shall not be liable for loss or damage to any property insured hereunder while encumbered by a chattel mortgage," that without notice to defendant, plaintiff before a loss encumbered the tobacco covered by the policy by two chattel mortgages to the First National Bank of Dillon. Held that the mortgage in question, covering only one-half of the tobacco covered by the policy, could not be extended to cover the tobacco which plaintiff got in a trade with his father, but, certainly in no event was the mortgage in question an encumbrance over more than one-half of the tobacco insured. The other half was free from encumbrance. Under such conditions there is recognized authority for the position that the alleged mortgage does not fall within the provision contained in the policy as to encumbrances by chattel mortgage. Judgment for defendant reversed. Miller v. Eagle, Star & British Dominions. Sup. Ct. S. C.

Louisiana Legislature at Work

A house committee in the Louisiana legislature, by a vote of six to three, returned an unfavorable report on bill No. 58, which has as its purpose the extention of the breach of warranty clause. Under this measure, if a breach occurs and the agent has knowledge of it and fails to report same, the company is held liable in event of loss. The measure is considered a vicious one and strenuous efforts have been made to kill it.

By an almost unanimous vote, 80 to 1, the Louisiana legislature passed the model arson bill. This measure is similar to the model arson law recommended by the National board. It appears certain that it will pass the senate.

Bill No. 91, which would have thrown the state wide open to mutual companies without any sort of restriction, has been amended and will come up for final action at an early date. The amendment provides that mutuals desiring to operate in the state must have net cash assets equal to the capital stock required of insurance companies writing stock policies. Therefore, if a mutual wishes to operate in the state for one class of business, it must have net cash assets of $200,000, and if it desires to do any additional classes, must have an additional $50,000 for each class to be written.

Districting Plan for Field Men

LOUISVILLE, July 11.—It is reported that one of the large fleets is figuring on rearrangement of its field men, and a districting policy. Instead of having three or four special agents for as many companies located in one city, it is understood that the company is now proposing to scatter them in different sections of the state, where they will be available for taking up any company matters that may come up, at a saving in time and traveling expense.

The Home group some time ago stationed C. J. Bouche, special agent, at Owensboro, Ky., where he looks after western Kentucky matters. One other group has a man at Lexington and one at Louisville. One man can probably look after three or four companies in a restricted area better than the same number of men can travel the entire state looking after the interest of but one company of a group.

Adjusters Busy at Blackstone

Adjusters were busy this week checking up on a fire which swept portions of three business blocks in Blackstone, Va., resulting in estimated property loss of from $250,000 to $300,000. Much of the property was reported to have been underinsured. Companies are estimated to have suffered a loss of from 30 to 40 percent.

New Miami Agency Opens

Ellis Insurance is a new agency to open offices in Miami, Fla. The company will do a general insurance business, including the writing of surety bonds. A. W. Ellis, president of the company, comes to Miami from Atlanta, Ga., where he was associated with the Edgar Dunlap agency for eight years.

Brame Heads Alabama Pond

The Alabama Blue Goose held its annual meeting and election of officers at Lookout Mountain, Tenn., J. Y. Brame was elevated to most loyal gander. The other officers include: Supervisor, A. E. Giddings; custodian, E. C. McGarity; guardian, J. A. Parrish; keeper, S. W. Bigger; and wielder, Joseph F. Garland.

Rate on State Buildings Cut

Insurance companies doing business in Kentucky have made a big concession to the commonwealth in the matter of insurance and the rate has been cut from $3.563 to $1.915 on all buildings under the control of the State Board of Charities and Corrections. The result is that the state has been saved approximately $32,000 a year. The property of the state under the control of this board is insured for $4,285,649.23 and the contents of the buildings for $1,244,081.43, a total of $5,529,730.66.

As a result of this concession on the part of the insurance companies it is likely that the agitation that was prominent during the last session of the general assembly for the creation of a fund for the state to carry its own insurance will be dropped.

Joseph N. Jacobs Injured

While strolling along the beach near his old home town of Wilmington, N. C., last week, Joseph N. Jacobs, Virginia state agent for the Commercial Union group, was struck by a giant wave and knocked down, suffering a fractured rib. A summer or two ago he tripped on the same beach, severely spraining his ankle.

Kentucky Notes

H. L. Maury, independent adjuster of Louisville, has moved his offices from 1170 to 1113 Starks building.

C. R. Barger, insurance agent of Columbus, Ky., is one of the few $100,000 men in Kentucky this year.

N. K. Tunis & Co. of Danville, Ky., have purchased the McIntyre & Dunnigan agency and will consolidate it with their agency.

Galen J. White, manager of the Wetson-White Agency at Jackson, Ky., was married to Miss Minnie Jameson of Cynthiana, Ky.

J. B. Coffye, inspector for the Kentucky department of fire prevention and rates, has been making an inspection of the buildings at Columbia, Ky., during the last week.

A coal oil stove exploded in a home at Corinth, Ky., and three homes were burned and the Baptist church damaged before the fire could be put out. The loss runs up to $12,000.

Fred H. Lieber, Louisville agent and member of the Louisville Board, who recently withdrew from the R. L. Hawes & Co. agency, has made temporary arrangements to write his expirations through Milliken, Plamp & Co.

Virginia Notes

Fire loss of Petersburg, Va., in June was only $2,669, according to figures compiled by Fire Chief Miller.

Robert Lecky, Jr., prominent local agent of Richmond, Va., has gone to Canada to spend his vacation. Mrs. Lecky accompanied him.

A special election will be held in Purcellville, Va., July 24, to determine whether $30,000 of bonds shall be issued for improvement of the town's water supply system.

Fire, following in the wake of a gasoline explosion in a garage at Eastville, Va., last week, wiped five buildings in the business section of the town, entailing a loss estimated at $50,000.

Loss from fire which destroyed the packing house and machine shop of the Rose Cliff Company, Inc., at Waynesboro, Va., last week is estimated at $35,000, partly covered by insurance.

Miss Ruth Douglass Lecky, daughter of W. R. Leckey, of the Robert Lecky, Jr., local agency at Richmond, Va., was married this week to W. Gray Garnett, well known young business man of Richmond.

PACIFIC COAST

WILL GET MEMBERS' OPINION

California Association of Insurance Agents Questions Its People on Pacific Board Issue

SAN FRANCISCO, July 11.—Amendment of its constitution so that membership in the California Association of Insurance Agents would be limited to those agents who abide by the Pacific Board rates and rules will come before the association for vote at its annual convention in November if a proposition providing for the introduction of such an amendment now before the members is approved. The following resolution was adopted at a recent meeting of the executive committee, "That the president be instructed to obtain the written opinion of members of the association as to amending the constitution to restrict membership in the state association to agents maintaining rates and rules of the Pacific Board."

In order that the committee may be guided by the wishes of members they

are asked to express themselves prior to the annual meeting.

Enlisting the support of association secretaries the California Association of Insurance Agents is circularizing all local bodies in the state with a view to putting to an end the operations of certain unscrupulous independent adjusters, enclosing with the circular clipping of a front-page newspaper account of a recent case in which an independent adjustment bureau was made defendant in a suit claiming misrepresentation and in which judgment was given the plaintiff. Secretary Ramsden says: "At a meeting of our executive committee held recently it was felt that agents should do everything possible to discourage these activities, as the agents are doing themselves an injustice in permitting these adjusters on losses in which they may be interested. It is the agent's duty to render all possible advice and assistance to the policyholder in loss matters and this class of adjuster tends to break down the value of a properly qualified agent in the eyes of the insurance public." It is suggested that full discussion of the matter be encouraged by the local secretaries and the agents assist in protecting the insuring public.

NEW "QUAKE" FORM ADOPTED

Single Interest Clause Is Approved by Pacific Board After Months of Discussion

After several months of discussion and controversy a single interest earthquake clause has finally been adopted by the Pacific Board. The demand for this form of coverage became apparent last year when mortgagees protested the high rates promulgated by the board at that time. Non-board companies entered the field of earthquake insurance with such a form and obtained a large volume of fire business by accepting earthquake insurance. Since the Pacific Board modified its earthquake rates in May the demand for a single interest form continued, particularly from the Los Angeles district, and many conferences were held. It became apparent that to stabilize agency conditions and, therefore, business for the board companies, such an instrument was essential.

The particular phase of the new form which makes up the principal factor of the contract is as follows: "The purpose of this insurance is to insure the interest of the insured against direct loss or damage by earthquake to the improvements above described. The insured in the event of making a claim for loss under this policy shall cause the trustees to sell the premises described in said deed of trust, or shall foreclose said mortgage, and sell or cause said premises so covered to be sold at public sale, and shall give the company at its main office in the state of California at least 20 days' written notice of the time and place of said sale. Failure to comply with either of these conditions last above mentioned shall render this policy null and void."

Hopeful Over Board's Action

LOS ANGELES, July 11.—Los Angeles insurance agents are hopeful that the recent action of the Pacific Board in regards earthquake insurance will assist in reestablishing former business connections lost during the past months because of the restrictions imposed upon them. Their loss was a harvest for nonaffiliated companies and many of these agents, claiming self defense, made connections with the nonboarders. The Los Angeles Exchange has been conducting a "clean up" campaign for the past several months and now feels that while some of their actions were criticized as too drastic the ultimate result will be of as much benefit to the board companies as to themselves. With the release of a new single interest earthquake form and with the anticipation that the exemption requirements on earthquake policies will be modified from its present 10 percent level to 3 or 5 percent the Los Angeles Exchange radiates optimism for the future.

Seek Los Angeles Survey

LOS ANGELES, July 11—The Chamber of Commerce of Los Angeles is considering a proposal that an expert and comprehensive investigation of the entire fire insurance situation of the city be undertaken to determine whether there can be reductions in the premiums now being paid for fire insurance. A survey is being conducted for the companies by engineers of the National Board.

The Chamber of Commerce directors referred the proposal to the safety and fire prevention committee for investigation and recommendation. J. L. Van Norman, an insurance broker, is chairman of the committee. Fire Chief Scott contends that the low per capita fire loss of the city should be reflected in lower premiums for fire insurance in Los Angeles.

Organize Hollywood Exchange

HOLLYWOOD, CAL., July 11—At a meeting of more than 20 Hollywood representatives of board companies, the Hollywood Insurance Exchange was organized and the following officers elected: President, Fred Bagley; vice-president, C. W. Howkins, Howkins & Glassick; secretary-treasurer, Miss Mable Bennett, C. E. Toberman Company; Directors, Horace Randall, E. Broox Randall Company, and Walter Akers, George L. Eastman Company. The purpose of the organization is to promote a friendly feeling among members, to maintain ethical practices and promote the best interests of all board agencies.

New Los Angeles Fire Law

LOS ANGELES, July 11—The fire commissioners of Los Angeles have approved for recommendation to the city council for passage the draft of a new fire law to replace present 20-year-old ordinances. The ordinance, which is aimed particularly at "honky-tonks" and similar places, is the result of three months' work by a special committee appointed by the commission. The ordinance, which asks repeal of the old measures, is for the purpose of enforcing strict precautions against fire and providing safety devices in all new theaters or places where plays or moving pictures are to be shown, including school auditoriums and churches.

Better Safety Measures Sought

Following three months' work by a special committee appointed by the fire commissioners of Los Angeles, a new ordinance regulating safety measures in theaters and motion picture houses has been drafted and will shortly be presented to the city council. While the new measure is not retroactive, it asks for the repeal of the present 20-years-old ordinance which, according to Chief Ralph J. Scott, fails to cover the numerous small show places and museums which are springing up. School auditoriums and churches where plays are presented or pictures shown would fall within the scope of the new measure, as will also any theatre re-opening after an idle period of three months.

Kellenberger Is Manager

The "Pacific Millers Insurance Department" of Seattle, Wash., representing the associated mill mutual fire companies, the Northwestern Mutual Fire and the Mutual Fire Prevention Bureau, has appointed A. J. Kellenberger as manager to succeed C. H. Cole, who resigned early in the year. This department specializes on fire insurance for flour and feed mills, grain elevators and warehouses. N. J. Sankela has been appointed field superintendent.

Strengthen Berkeley Department

Calling for the expenditure of $135,000 for a five-year rehabilitation program for the Berkeley, Cal., fire department which will be presented to the city council within the next few weeks has been announced by City Manager John N. Eady.

Mutuals Want State Rating Bureau

SAN FRANCISCO, July 3—The State Association of County Mutual Fire Insurance Companies, at its annual convention last week, passed a resolution

Add to Your Profits from Fire and Casualty by Taking on a Splendid Life Line

THE Largest Mixed Insurance Company in the World recently Established a Life Department. There is a Pronounced Trend in that Direction. Agencies are adding Life to Fire, Casualty, Surety, etc. You, too, may Enlarge your Profits without Increasing Fixed Costs.

The most Satisfactory Life Contract Available is that of the Columbus Mutual—the Company which 20 years ago Eliminated Middlemen and Diverted the Huge Expense of their Maintenance into Savings for Policyholders and Agents. Its System makes possible Low Cost Insurance, Generous Commissions, and VESTED Renewals. There are No Restrictions in Territory. Each Contract is a Direct Home Office Contract—no Intermediaries between. The Agency that Produces gets ALL the Commissions.

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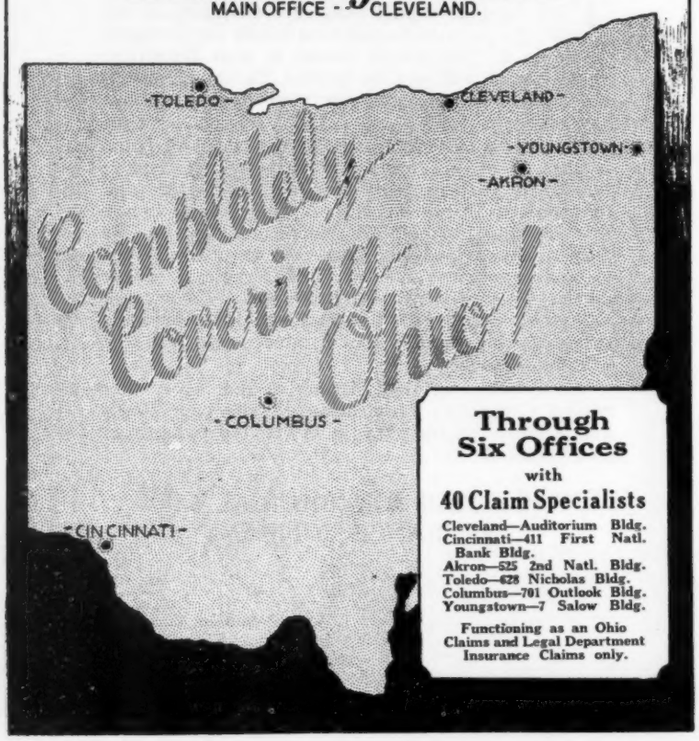
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Statement December 31, 1927

CAPITAL	$1,000,000.00
PREMIUM RESERVE	1,098,796.26
OTHER LIABILITIES	196,660.00
NET SURPLUS	1,786,197.15
TOTAL ASSETS	4,081,653.41

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Alfred J. Couch
Manager Brokerage Dept.

recommending a state rating bureau for all fire insurance companies operating in California. H. J. Jorgensen of Fresno was elected president of the association and Fresno was chosen as the next convention place. Other officers elected were: M. McFarland, Santa Rosa, vice-president; Fred Cromer, Los Angeles, secretary-treasurer.

Stone Is Made Assistant

William Irvin Stone has been appointed assistant manager for the Travelers Fire at Oakland, Calif., where he will have under his supervision the counties of Alemeda and Contra Costa. Mr. Stone was previously connected with several important insurance companies on the coast and is widely known in the San Francisco territory.

A tornado struck a thickly settled farming district near Johnstown, Colo., last Friday afternoon, killing two farm laborers and destroying many farm buildings and laborers' dwellings. Damage was estimated at $300,000. Hail and torrential rain accompanied the wind.

NEWS FROM EASTERN FIELD

EFFECT OF NEW JERSEY LAW

Brokerage Concerns Will Be Greatly Affected Now That Insurance Department Takes Step

The New Jersey law which recently went into effect giving the insurance department jurisdiction over all insurance writers, whether they place policies on New Jersey risks or not, will mean a change in that state. For years there have been brokerage offices, located chiefly in Newark and Jersey City, that did not handle business in New Jersey but placed policies in non-admitted companies in other states. For instance, some concerns handled London Lloyds and used these policies on New York property as well as that in other states, although their contracts were not placed in New Jersey. Under the old law the New Jersey department had no jurisdiction over such an office. Some of these New Jersey brokerage offices were affiliated with insurance brokers in New York City. Where a New York broker found it difficult to handle a piece of business in New York, he could send it over to New Jersey and get it covered through an office there in London Lloyds or other companies.

Recently there has been established in Newark and other centers, wildcat outfits handling companies that are not admitted in any state and some of them are without any reputation whatever. Some of these offices have been raided by the New Jersey department and closed. New Jersey, therefore, as the favorite camping ground for offices placing outside insurance will be deserted. New York brokers find themselves confronted with serious difficulties now that they cannot use the facilities in New Jersey which have been at hand heretofore.

Pennsylvania Meeting Plan

The Insurance Agents Association of Hazleton, Pa., is now making preparations for the annual meeting of the Pennsylvania Association of Insurance Agents in that city at the Hotel Altamont, Oct. 23-24. H. Dreyfoos, Jr., is president of the local board and R. J. Wilford secretary. The banquet will be held the evening of Oct. 23.

Charles Tredick & Co. Moves

Another insurance office has joined Philadelphia's new "Insurance Row." Charles Tredick & Co., Inc., has left its old quarters in the building at 411 Walnut street, soon to be torn down for the Fire Association annex, to occupy the entire second floor front at 126-130 South Fourth street.

Albert L. Hoskins Dies

Albert L. Hoskins, of Hoskins & Howell, Inc., prominent in Philadelphia insurance circles, died last week after a brief illness. He was also well known in sporting circles, having at one time been a noted cricketer. He had also been secretary and later vice-president of the National Lawn Tennis Association.

J. W. Huling, local agent in Hartford and formerly of the Aetna Affiliated Companies, has been elected president of the Exchange Club in Hartford.

BUYS FINANCING SUBSIDIARY

Industrial Acceptance Corporation Obtains Entire Capital Stock of General Contract Purchase Corporation

NEW YORK, July 11.—The industrial acceptance corporation has acquired from the General Electric Company the entire capital stock of the Ceneral Contract Purchase Corporation of New York, its installment financing subsidiary.

The Industrial Acceptance Corporation was formed several years ago by the Industrial Finance Corporation to develop the wholesale and retail sale of Studebaker automobiles. Recently the Studebaker financing was transferred to the Motor Dealers Credit Corporation, a new organization formed by the Industrial Acceptance Corporation. Insurance on Studebaker cars is placed for the most part with the Home of New York.

Plans Philadelphia Membership Drive

PHILADELPHIA, July 11—The Association of Fire Insurance Agents of Philadelphia has appointed a committee of seven to work out details for reorganizing the association so that it will list among its membership at least 99 percent of the agents of Philadelphia.

The association, it is said, took this action so that in the event of any differences with the companies in the future, such as the present agency disagreement with the E. U. A., it will have backing it in its fight every worthwhile agent in Philadelphia and will be able to fight for its points with much more strength.

The association feels confident of increasing its membership and making it one of the strongest local organizations in the country.

Baltimore Insurance Society Plans

BALTIMORE, July 11—Daniel H. Hamilton, recently elected president of the Insurance Society of Baltimore, is planning a campaign of social activities in the fall to induce younger insurance agents to join the organization. Mr. Hamilton stated that recreation appeals to the younger element and for an organization to be successful it must engage in social affairs. Mr. Hamilton is also planning for a series of lectures and classes for insurance men the coming season.

Investigate Hartford's Insurance

HARTFORD, CONN., July 11—Another of Mayor Walter Batterson's constructive major proposals got under way in Hartford when the special commission on survey of insurance on city-owned property and city employes organized for action by electing George C. Long, Jr., vice-president of the Phoenix Fire, as its chairman. This survey is to cover fire, compensation, liability and any other kind of insurance which the city is now carrying or ought to carry. At present the insurance policies are placed with "Tom, Dick and Harry," the mayor said, through the actions of those city officials or commissioners who have charge of the respective city departments that are concerned.

Keystone Companies Enter Maryland

The Keystone Auto Club Fire and the Keystone Casualty, both with headquarters in Philadelphia, have been granted license to do business in Maryland.

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MOTOR INSURANCE NEWS

TITLE MUST BE TRANSFERRED

Michigan Court Holds Dealer and Insurance Carrier Liable for Accident Occurring After Sale

LANSING, MICH., June 13.—A sale of an automobile is not a sale until the certificate of title has been formally transferred in compliance with the state law and a dealer or his insurance company is liable if a prospective purchaser, even if he has paid for the machine, is permitted to drive it and is responsible for an accident.

This is the gist of a supreme court decision just handed down in the case of John J. Endres vs. Mara-Rickenbacker Company and the American Employers. The case was appealed after the dealer and insurance company received an adverse verdict in lower court.

The Mara-Rickenbacker Company deals in second-hand cars. A car was purchased in Ohio and was almost immediately resold to one Pushkin. Immediate possession of the machine was given upon Pushkin's payment of the car's price, although the certificate of title and of registration had not yet been received for transfer. The company permitted Pushkin to use its dealers' plate until the formalities were complied with in full. Pushkin was involved in an accident with the plaintiff's car and was shown the responsible party. Endres brought suit against Pushkin, the dealer and the insurance company of the dealer.

In its decision, the court points out that the provision in the law requiring possession of a certificate of title and that in regard to ownership of license plates is a provision for the protection and well being of the public at large. It is held that in such cases it is a "general rule well settled that where the statute, enacted to protect the public against fraud or imposition or safeguard the public health or morals contains a prohibition and imposes a penalty, all contracts in violation thereof are void."

Reduce Ford Rates

The Texas department this week announced a reduction of fire insurance rates for Model "A" Ford automobiles and increase of public liability insurance rates for public carriers such as motor buses.

Ford car rates have been lowered from $1.40 and $1.75 to $1.20 and $1.50, respectively, on policies with and without percentage clauses. Public liability rates were raised inasmuch as a 22 percent reduction of regular rates formerly allowed on the maximum of $10,000 group insurance was reduced to 5 percent.

Report on New Orleans

According to the last report of the New Orleans automobile theft bureau, 212 automobiles, including Fords, were stolen in that city during the month of June, just past. It is understood something over 180 of the stolen cars were recovered, in addition to 8 reported stolen previously. The report shows 26 arrests were made in connection with the thefts. The claim is made that since the establishment of the bureau, 4,500 cars have been reported stolen and 4,198 recovered.

Does Efficient Work

LOUISVILLE, KY., July 11—The automobile theft squad, of the Louisville police department, again did efficient work during June, when 191 cars, valued at $135,000, were stolen, and 184 recovered; ten stolen elsewhere having been recovered as well.

IN THE CANADIAN FIELD

SUMMARY OF CANADIAN TAXES

Taxes Paid by British, United States and Canadian Companies Shown in Compilation

During the year 1927 the taxes on fire insurance business in Canada by United States and British companies in percentage to premiums written were somewhat higher than for the year 1926, but were lower for Canadian companies. Apart from the taxes on premium income of fire insurance business the companies are also subject to income tax. The following is a record of taxes paid for the year 1927:

	Premiums	Taxes	Pct. Taxes to Prem.	Pct. 1926
U. S. Cos..	$23,808,688	$ 888,874	3.73	3.63
Brit. Cos..	35,289,092	1,176,913	3.33	3.32
Can. Cos..	23,269,806	680,813	2.92	3.06

The taxes paid in 1927 by United States and British companies in respect of their Canadian business amounted to $2,065,787. These taxes are divided between the Dominion, the provinces and the municipalities. In regard to the Canadian companies the proportion of the taxes which are Canadian taxes are not given as a separation of expenses between Canadian and foreign branches has not been made. There is a certain liability to home governments attached to the profits earned in Canada by United States and British companies. Such amounts should be added to the above in order to arrive at the exact amount of taxes paid in respect of their Canadian business.

Severe Hail Storms Strike

Severe hail storms struck many parts of Saskatchewan July 6, causing damage to grain and crops in various parts of the province. In some cases 100 percent loss was reported. The next six weeks will be the real time for testing hail losses, as from July 15 to the first week in August losses last year were very heavy. Total damages estimated in yesterday's storm are put at more than $500,000.

Hynds in New Post

J. F. Hynds, formerly of Toronto, has become identified with the financial company of Thibaudeau, Ltd., of Windsor, Ont. Mr. Hynds will be the manager of the insurance department of this firm. He formerly was with the Wolverine Underwriters Agency of Detroit and the Norwich Union Fire of Toronto and has had long experience in the underwriting field.

Home Opens Eastern Marine Branch

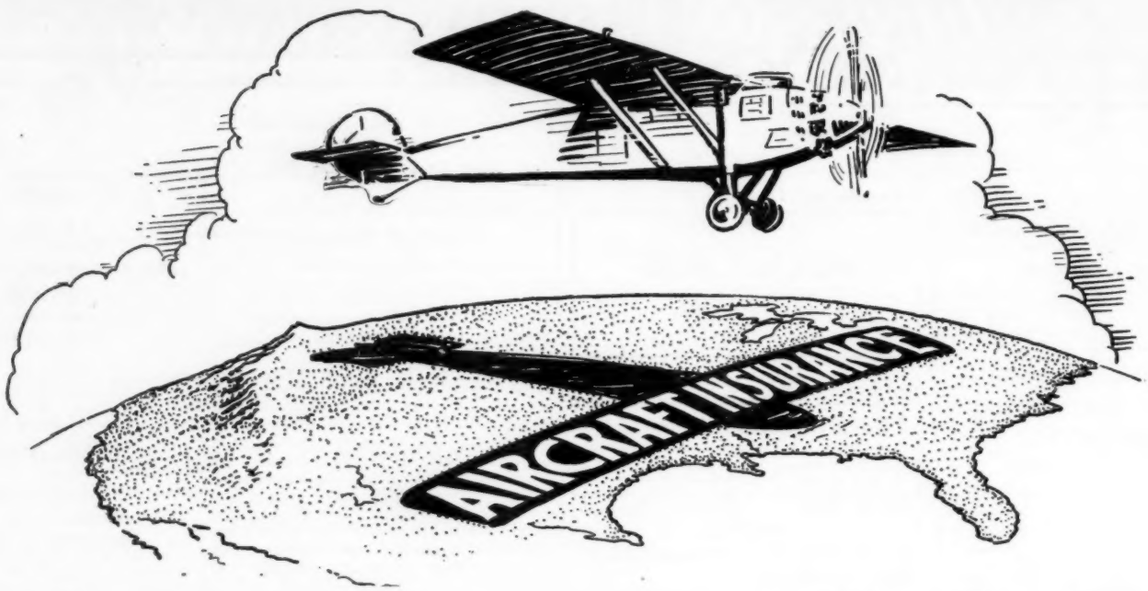
The Home of New York has opened a marine branch in the eastern insurance field at Toronto, under the management of Douglas H. Macauley. The fire agents of Mr. Macauley's branch are Wood & Kirkpatrick. The marine branch will embrace Manitoba, Ontario and Quebec.

Blue Goose Meets Next Week

The annual meeting of the Ontario pond of the Blue Goose will be held in Toronto next week. The first item on the program is the annual soft ball game and sports. This will be followed by a dinner and the meeting at which the usual election of officers for the 1928-1929 season will take place.

New Guardian of Canada Manager

MONTREAL, CAN., July 11—John Blackwell, for the past three years assistant secretary of the Guardian of Canada and for some time previous to that with the Guardian Assurance, has been appointed manager. John Good has resigned as secretary of the company.



A Coming Coverage Casts its Shadow

"ALL-IN-ONE"

FIRE, LIGHTNING & TRANSPORTATION

ACCIDENTAL DAMAGE

THEFT, ROBBERY *and* PILFERAGE

PUBLIC LIABILITY

PASSENGER LIABILITY

PROPERTY DAMAGE

TORNADO, CYCLONE *and* WINDSTORM

OTHER POLICIES COVER
PERSONAL ACCIDENTS · CARGO RISKS
COMPENSATION *and* EMPLOYER'S LIABILITY

"THE wide-awake agent is not going to wait to see if the prediction (that the next few years will witness the airplane as the recognized means of transportation) is justified before he equips himself to write aircraft business. Some companies are prepared now to write 'all risks' aircraft insurance, and agents should be fortified by a knowledge of the lines, and representation of companies which can write them. It is going to be a sweet line for agents who prepare themselves to handle it."**

(From an editorial in the *American Agency Bulletin.*)

In July, 1926, the Independence Companies announced their "All-in-One" Comprehensive Aviation Coverage. They were the first to offer complete aviation insurance facilities (as listed at the left) to their agents, who, for almost two years, have been building prestige for themselves and creating a demand for the aviation policies of the Independence Companies.

This fast growing business offers an opportunity to agents who can qualify as Independence representatives. Agents desiring facilities for complete coverage—Aviation and other lines—should take advantage of those offered by the Independence Companies.

INDEPENDENCE INDEMNITY COMPANY

The INDEPENDENCE COMPANIES

Home Offices — PHILADELPHIA

CHARLES H. HOLLAND, President

Casualty Insurance · Surety Bonds
Fire Insurance

INDEPENDENCE FIRE INSURANCE COMPANY

These Companies maintain Human Relations with their Agents, Brokers and Policyholders

The National Underwriter

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GROWTH OF CASUALTY BUSINESS REVIEWED

Austin McElroy, One of Hartford Accident & Indemnity Winners, Presents Good Paper

COVERS NUMEROUS LINES

Columbus, O., Agent Tells How Companies Assist Field Men in Selling Protection

Austin McElroy of Columbus, O., winner of the third award in the "newspaper interview" contest sponsored by the Hartford Accident & Indemnity, presented a paper that is in part as follows:

"Casualty insurance may not be the fountain of youth, but at least it adds to longevity, for casualty insurance lessens worry, conceded to be a foe to youthfulness.

Removal of Worry Essential

"The complexity of living today makes the removal of all unnecessary worry essential. Intelligent men and women are striving to get the utmost joy out of living. The rapid growth of the casualty insurance business is a natural outcome.

"Take the case of Mrs. Busybee. Circumstances contrive to have the board of her pet philanthropy hold an all-day meeting on the very day a new maid starts working for her. The maid's references are good, but Mrs. Busybee has much of value in the house, her silver, her pewter, and her emeralds. She wouldn't be able to concentrate on the business of the board if her valuables weren't covered by insurance.

Insurance Aids Motorists

"The increased use of automobiles has almost automatically increased the casualty insurance business. At best it is unpleasant to hit anyone when driving a car, but it would be far more unpleasant if one had to pay damages of $5,000 or $10,000 out of one's pocket. Driving would be a constant worry without the protection of liability and property damage policies.

"Compulsory automobile insurance is a development that has been much in the limelight during the past two or three years. Several states have enacted laws, but these statutory requirements are still in their formative state. It will require a few years of actual operation before one can draw definite conclusions as to their success.

Compulsory Theory Misunderstood

"There has been much misunderstanding as to what is meant by compulsory automobile insurance. Many think it means that anybody injured by an automobile will be paid damages. As recently explained by Edson S. Lott, that idea is wide of the mark. Compulsory laws, he says, simply compel everybody to carry automobile liability insurance, but effect no change in the legal situation. In case of accident, the victim must still prove that somebody else was totally at fault.

"The compulsory plan that has received the most favorable comment is the one known as the Pennsylvania plan, by which a person would be barred from registering or driving his own or another's motor vehicle so long as any judgment for injury or damage caused by motor accident would be standing against him.

Publicity Aids Growth

"Publicity must not be ignored as one of the causes for the rapid growth of the casualty and surety business. Through news stories dealing with bank robberies and embezzlements, business men have been brought to understand that the interests of the owners or stockholders of a business have not been thoroughly safeguarded when the insurance protection is limited to fire and windstorm coverage on the physical property. Through this influence there has been preached the need of fidelity bonds on employes, check forgery, messenger or payroll robbery—all aimed to protect cash assets.

"Workmen's compensation is another factor that has contributed to the growth and volume of the casualty business. There is a universal recognition that workmen's compensation laws have proved beneficial to employer and employe, and that it has created a fairer and better basis of understanding than existed in the old situation where payment of the injured workman depended on whether there was actual legal liability.

"Not all the causes for the development of casualty business are outside the business itself, however. The cooperative and energetic sales development within the ranks of the insurance companies and their agents has played a big part, too.

Companies Help Agents

"Casualty companies not only help the agent with the organization and planning of sales campaigns, but put expert assistants from the home office on the 'firing line' with the local agent. Apparently the fire and the casualty companies appreciate the fact that in the local field the surface has hardly been scratched. There is a large volume of all kinds of insurance premiums yet to be written, but the casualty companies are the only ones that have set about actively to get more of this business on the agent's books.

"Impetus to the growth of casualty business has been given by the increasing tendency of agents to devote a larger part of their time to these lines than to fire lines. To some extent this is because fire insurance is an old story.

Casualty Lines Offer Variety

"Casualty business offers a greater variety through its numerous lines of coverage. Due to the fact that casualty lines, such as accident and burglary insurance, touch the actual lives of people as well as their property, there is greater human interest connected with it.

"Loss adjustments have undergone a revolutionary change. This particular feature of the business is no longer the problem to local agents that it was 25 years ago. Back in those days the adjuster was frequently the silk-hatted individual who held his job by keeping the payments as low as possible. This was

(CONTINUED ON PAGE 48)

ALLIANCE INDEMNITY WILL BE ORGANIZED

BACKED BY NORTH AMERICA

New Company Will Be Put into the Field by the Big Philadelphia Group

PHILADELPHIA, July 11.—Officials of the Insurance Company of North America admitted today that plans were under way to organize the Alliance Indemnity Company as a running mate for the Alliance Insurance Company. This will make two casualty companies in the North America group, as it already has the Indemnity Company of North America.

Charles F. Frizzell, vice-president and general manager of the Indemnity Company of North America, will have the same office with the new Alliance Indemnity. The capital of the new company, it is reported, will be $1,000,000.

Rumors of the organization of a new casualty company have been current on the street for the past month, but the reports all linked the Sylvania Fire with its organization.

COMPULSORY LAW DATA WILL BE PRESENTED

MUCH INTEREST IN RESULTS

Annual Meeting of the Massachusetts Automobile Rating & Accident Prevention Association Called

BOSTON, July 9.—The complete experience of the first year in Massachusetts under the compulsory automobile liability insurance and security act will be made known to the companies and their executives next week, July 20, when the annual meeting of the Massachusetts Automobile Rating & Accident Prevention Association will be held, having been twice postponed, from June 15 to July 17 and again to the 20th of this month.

Besides having all the experience of 1927 tabulated, through Secretary W. J. Constable's efforts and the governing board of the bureau, the matter of rates will be gone into for the coming year as a matter of recommendation to the insurance commissioner who has the authority to make rates for the state.

A meeting of the stock company members of the Bureau will be held on the day preceding to discuss the expense loadings which shall be used for computing the pure premiums in connection with the motor vehicle and trailer coverage. The meeting will be attended only by executivese of the stock companies belonging to the Bureau.

TRADE JOURNAL EDITORS MAKE BUSINESS SURVEY

Men Who Have Intimate Knowledge of Business and Industry Give Report of Findings

RESULTS ARE VALUABLE

Among Important Facts Revealed Is That Presidential Year Bugaboo Is No Longer Potent

So well received was the summary of business conditions produced last December by the Associated Business Papers and the National Conference of Business Paper Editors that the executive committees of these two organizations decided to prepare a semi-annual survey for the first half of 1928. Since no men in any given business or industrial field are so well qualified to make surveys and predictions regarding such business fields as are the editors of trade journals serving them, the surveys produced last year and this jointly by the two organizations named above are of great value. The following committee acted for both organizations:

Douglas G. Woolf, "Textile World," chairman; A. I. Finley, "Iron Age"; Ralph Duysters, "Railway Age"; Marlin Pew, "Editor and Publisher"; Norman Shidle, "Chilton Class Journal"; E. A. Hasse, "Printers' Ink"; Frederick E. Schmitt, McGraw-Hill Publishing Company, F. M. Feiker, managing director of the Associated Business Papers, and W. V. Morrow, "Furniture Manufacturer."

General Business Surveyed

The article detailing conditions in business and industry in the United States for the first half of 1928 is in part as follows:

"Mergers and consolidations, apparent discounting of the old prejudice of poor business in a Presidential year, unexpected gains in some lines, sharp retrenchments in others, normal business in general on the 1927 level and cooperative group attacks on common business problems, mark the first six months of business for 1928. Business men in key industries, trades and technical professions, reporting through the editors of their respective business publications for the first semi-annual survey of business conditions undertaken by the National Conference of Business Paper Editors and the Associated Business Papers give these as the outstanding trends of business for the first half of the current year.

"The steel industry by high specialization in developing small volume markets has completely taken up the slack of a greatly reduced volume of steel orders by railroad. The meat packing industry has enjoyed a larger volume of business and a strong domestic and foreign market. The automobile indus-

(CONTINUED ON PAGE 48)

XUM

RICHARD CARY WINS HARTFORD'S FIRST AWARD

HIS NEWSPAPER STORY BEST

E. Kenneth French Takes Second Prize —Austin McElroy Is Given Third Money

The Hartford Accident & Indemnity has announced the winners of its awards for the best "newspaper statement" submitted by any licensed agent or broker in the United States. The first award goes to Richard Cary of Niagara Falls, N. Y., the second to E. Kenneth French of Hartford, and the third to Austin McElroy of Columbus, O.

Judges of the contest were Clifton L. Sherman, editor "Hartford Times," Hartford; Winchell Smith, dramatist, Farmington, Conn., and Dr. H. Parker Willis, editor "Journal of Commerce," New York City.

Papers Available to Agents

The three winning papers as well as a number of papers which received honorable mention will be published in a booklet which the company will mail to any agent or broker on request.

Mr. Cary's paper deals particularly with the effect of the automobile industry on the growth of the casualty and surety business. Mr. French's paper has to do largely with the problems of compulsory automobile insurance. Mr. McElroy's touches on a number of factors that have influenced the development of casualty and surety lines.

Cary Is General Agent

Richard Cary operates a general agency at Niagara Falls and represents the California, Colonial Underwriters, New York Underwriters, Aetna Fire, Twin City, Hartford Accident & Indemnity, Hartford Live Stock and Hartford Steam Boiler. He has been chairman of the fire prevention and insurance committee of the Niagara Falls Chamber of Commerce for the last five years and is now starting his third term as director of the New York Association of Local Insurance Agents.

French Holcombe Firm Member

E. Kenneth French of Hartford is secretary and assistant treasurer of the Harold G. Holcombe agency, general agents of the National Surety for Connecticut. Mr. Holcombe's office is also a general agency of the London & Lancashire Indemnity and agent of the London & Lancashire Fire.

Austin McElroy is a member of the firm of McElroy Company of Columbus, O., agents of the Hartford Fire and other fire and casualty companies but not of the Hartford Accident. The senior member of the firm is his father, Frank C. McElroy.

AUTOMOBILE ACCIDENTS ARE ON THE INCREASE

The National Safety Council in compiling its automobile accidents finds that they took an alarming jump in May. There were 68 persons met death from automobiles each day of the month as compared with 61 in April. This is the highest daily average reported since January, which had 78 each day. The May reports were received from eight states and 100 cities. The record of the cities was much worse than for the entire state. Thirty-four percent of all the deaths were due to children under 15 years of age.

Assess Companies for Expenses

An assessment of $25,000 with which to defray expenses of the Compensation Rating & Inspection Bureau of New Jersey has been levied upon company members of the organization.

COMMENTS ON SURPLUS OF CASUALTY COMPANY

INTERPRETATION OF TERM

Hal H. Smith, President of the Central West Casualty, Makes Some Interesting Observations

President Hal H. Smith of the Central West Casualty of Detroit in his weekly letter to agents comments on the surplus item in a financial statement. He says:

"The surplus account is the barometer that registers the advance or decline of the company's business. But like a barometer, it has to be read with considerable care and one must remember also that like the barometer it is not a complete accurate indication of actual conditions. When the needle on the barometer points to rainy weather that only means that unless conditions change there will probably be rain. It is not a guarantee of rain.

What Fluctuation Indicates

"So an increasing surplus may not necessarily mean prosperity, nor a decreasing surplus a loss. For instance, if a casualty company that has been doing a good business should stop acquisition, its surplus would undoubtedly go up just as if it increases its acquisition its surplus will go down. A decreasing surplus with increasing business, does not mean a loss, it only means the investment of some of the surplus in an increasing premium account. On the other hand, an increasing surplus with decreasing business does not necessarily mean a prosperous company for the future. It means only a realization of a profit on the old business.

Factors of Importance

"When, therefore, you look at the surplus and try to determine what a gain or loss in that account means, you really ought to know two other things. First, is the company's business increasing or decreasing and at what rate? Second, what is its underwriting profit or loss? You could add another item of interest if you are closely studying the surplus account, and this is how much are investment earnings.

"Only when you have all these factors before you, can you form a just estimate of what a change in the surplus means. If a company is growing rapidly and its loss ratio is right, a decreasing surplus is not to be criticized. Assuming the surplus is adequate, I would rather have a young company with a slowly increasing surplus but a business that was increasing at a good rate than a company with a slowly increasing business. I say this because a sound insurance company builds for a long pull. It is the future that it must look to for a realization of its profits. A substantial increase of its business each year—I do not mean a heavy volume but a good fair increase —is a better indication of its success than even the condition of its surplus account, assuming that that remains sufficient to adequately carry its business and inspire confidence in its agents and its clients."

Reports Good Progress

Karl S. Ledbetter, Inc., of New Orleans, recently appointed general agents for the Fidelity & Casualty in Louisiana and Mississippi, reports splendid progress in the building of an agency for its new connection. To date it has appointed about 20 agents in the two states.

Hudson Enters Pennsylvania

License to operate in Pennsylvania has been issued to the Hudson Casualty of Jersey City. The company's paid-in capital is $1,000,000.

HEALTH INSURANCE HAS SOME PROBLEMS

CLAIM RATIO IS HIGHER

Company Officials Are Weighing in Their Minds Ways and Means for Improvement

Owing to the fact that this year has shown an increase in the health insurance loss ratio, company officials are again turning their attention to this branch of the business. The influenza and pneumonia epidemic this year extended into April and May. In fact the claim ratio for most companies in those two months was higher than during the three early months of the year, which are always prolific claim producers from respiratory diseases. The companies found themselves confronted with increasing claims during April and May, which was most unusual. This hangover cut the profit out of the business.

Health Insurance Troublesome

Health insurance has been a troublesome problem for company officials. They have devised plans of all kinds to try to overcome the increasing claim ratio. Calling for higher rates does not solve the problem. In fact it drives the best risks away from the companies and the selection is against them. Companies are hedging here and there. The Federal Life of Chicago has increased its health rates about 25 percent, it having been one of the companies that held its rates down as low as possible.

Pronounced Tendencies

There are certain tendencies in the business that are pronounced. Almost all companies have cut off their life income policy. That was found to be a losing proposition. Most companies are now paying only for house confinement. Many have reduced the length of payment of health benefits to a year. Owing to the high price of health insurance, when a man is ill for a few days he is urged to make a claim by his agent or broker. Many officials feel that the only way to solve the health problem will be to educate agents to write policies with a waiting period of from a week up. This is particularly true with the commercial business. Wage earners whose compensation is automatically cut off when they do not appear for work are interested in health insurance taking effect at once. They buy largely the industrial policy, which is a combined accident and health contract.

Age Is a Factor

Companies find of course that age is a factor in health insurance. From age 45 on the claim ratio naturally is higher. This is taken care of by an increased rate. Agents at this time have educated their prospects and assureds to take policies that go into effect at once. It will be necessary to change the attitude of the agents before any momentum is secured in selling the waiting period policy.

CONNECTICUT RECORD IN CASUALTY LINES

More than a fifth of all casualty insurance written in 1927 was written by the ten Connecticut companies, according to the report for 1927 which is released by Commissioner Howard P. Dunham.

Following are the highlights of the report:

Connecticut casualty companies wrote 22.67 percent of all casualty business written in 1927 by companies reporting to the insurance department.

Connecticut casualty companies wrote 42.18 per cent of the casualty business written in Connecticut during 1927.

ANOTHER CARRIER TO WRITE AVIATION LINES

MAKING STUDY OF HAZARDS

New Amsterdam Casualty and Eureka-Maryland Also Are Likely to Enter New Field

BALTIMORE, June 11.—Plans for writing aviation insurance are now under way by officials of the United States Fidelity & Guaranty, it has been announced. Officers of the New Amsterdam Casualty and the Eureka-Maryland here are also studying the question.

Joseph F. Matthai, vice-president in charge of the automobile department of the United States Fidelity & Guaranty, has been named supervisor of the new aviation branch of the company.

Tentative plans of this organization call for a complete study of the aviation question and conferences with various authorities in Washington and elsewhere, who are familiar with aviation in all its branches, before the company will announce its policy.

In discussing this new department Mr. Matthai said:

"Like other companies throughout the United States, which eventually must go into aviation insurance, we have begun a study of the question, but have not come to any definite conclusion. It is a question which must be gone into thoroughly before we can decide exactly what we plan to do."

T. J. Mohan, field manager for the Eureka-Maryland, stated that his company is studying the question but has not reached any conclusion.

Plans in Abeyance

An official of the New Amsterdam Casualty said that the New Amsterdam has begun a study of aviation and the desirability of writing this line of business, but that it would be some time before the company would make known its plans.

Mr. Matthai in discussing the question further said there are many problems to aviation which insurance companies must study and work out before they could go into the writing of aviation insurance. This takes time, and it would be foolish to rush headlong into the matter and have the company sustain heavy losses.

Aviation, he said, seems to be one of the main methods for travel in the future, and this being so, aviation insurance will follow right along. Methods of air travel, he contended, are improving every day and the time will come when air travel will be one of the safest methods of travel available.

Branch at Montgomery

During a recent trip to Montgomery, Ala., John L. Mee, vice president and superintendent of agencies of the National Surety, arranged for the establishment of a branch office in the city, appointing as its temporary headquarters. The L. A. Porter Insurance agency of Montgomery, which heretofore has been Alabama general agent for the National Surety, will continue to place business with the corporation as an individual broker.

Stock Issue Over-Subscribed

The new stock issue of the New York Casualty, made to increase the company's capital, has been over-subscribed. The issue adds $500,000 to the company's capital, bringing it to $1,500,000, and adds $1,000,000 to the surplus account, raising that fund in excess of $3,000,000. According to a recent examination by the Insurance Department the company has been making unusually good progress, and its financial condition is still further strengthened by the capital and surplus increase.

CASUALTY COMPANIES TO BE HEARD JULY 17

Question Whether They Must File with Virginia Rating Bureau Will Be Argued

OPINIONS ON POINT VARY

Carriers Contend They Do Not Come Under Provisions of Statute Setting Up Rate-Making Body

Whether casualty companies doing business in Virginia are required to become members of the new Virginia insurance rating bureau and to file rates, schedules, rules, regulations and classifications with the state corporation commission through this bureau is a question scheduled to be threshed out before the commission at a hearing set for July 17 at Richmond.

These companies contend that they do not come under the provisions of the law setting up the new rating bureau and have indicated that they will resist the efforts of the commission to compel them to become members. They point out that the title of the act creating the bureau merely provided for the organization, maintenance and supervision of a fire, windstorm, lightning, tornado, hail, and automobile fire and theft insurance rate making bureau, and under the constitution of Virginia it is directly specified that the object of a law shall be expressed in its title. As they are not included in the title, they naturally insist that the new fire rating law, which was known as House Bill No. 116 when it went through the legislature, does not apply to them. In the body of the act, however, there is a provision that companies writing "all other kinds of insurance which fire insurance companies are authorized to write in this state" shall also come under supervision of the corporation commission and become members of the Virginia insurance rating bureau.

Opinions Conflict

In view of the fact that the fire companies were authorized under a law passed several years ago to write practically all kinds of insurance except life, members of the commission take the position that the effect of this is to bring casualty writing companies under provision of the new rating act. That law, it has been explained, was enacted to provide for enlargement of the powers of fire companies so that the law would not have to be amended every time they desired to add another line to those already being written. It was never contemplated, the casualty companies contend, that this in any way had reference to them. Furthermore, they insist that the last legislature, which passed the new rating act, never contemplated that they were to come under the supervision of the commission.

Two Bills Affect Rates

Two other bills were passed at the same session affecting insurance rates. One of these gave the commission supervision over compensation rates. The other placed surety and fidelity rates under control of the commission. In neither instance, however was it expressly provided that companies writing these lines should become members of the Virginia insurance rating bureau. For the time being, compensation rates are being filed as previously through the workmen's compensation inspection rating bureau of Virginia, of which E. E. Cadmus is manager, while the rates of bonding companies are being filed with the commission through the Towner Bureau of New York, with the approval of that body.

The hearing set for July 17 will precede by one week the inquiry into fire rates which is to be conducted by the commission to determine whether the rates should not be substantially reduced. Later, the commission plans to investigate other kinds of rates.

NATIONAL SURETY TAKES OVER MUTUAL'S BUSINESS

OBTAINS LARGE BANK LINES

Bankers Limited Mutual Makes Reinsurance Agreement and Will Have New Entrees

MILWAUKEE, WIS., July 11.—The National Surety has taken over the business of the Bankers Limited Mutual Casualty of Milwaukee, through a reinsurance agreement. Through the transaction, the National Surety is said to receive a business worth about $80,000 to $90,000 annually in Wisconsin.

The Bankers Limited Mutual is an organization of banks in Wisconsin and carried insurance on about 80 percent of the banks in the state. It wrote burglary, robbery, fidelity, and some surety business on banks exclusively.

Directors of the company recently decided to dispose of the business and liquidate the assets and surplus of the company and the reinsurance arrangement was made with the National Surety. The Bankers Limited Mutual will continue as a corporation for three years, in compliance with the insurance laws of Wisconsin.

When the company was started in 1913 it was the hope that bankers' associations in other states would start similar companies, which would afford ample reinsurance facilities for all. These plans failed to materialize and the Wisconsin company continued in business, but due to limited reinsurance facilities, was able to write small lines only, being forced to turn down lines of the banks in larger cities in Wisconsin.

The acquisition of the company's business will give the National Surety control of a good share of the bank business in the rural and smaller towns in Wisconsin, and an entree for other business in those sections, and is regarded as a valuable addition to the agency plant in Wisconsin.

BAILEY MAKES REPORT ON LINCOLN CASUALTY

COVERS YEAR OF LIQUIDATION

Administrative Expense $25,809, Illinois Director of Trade and Commerce Shows—Other Items $10,894

SPRINGFIELD, ILL., July 11.—H. U. Bailey, director of trade and commerce, on order of Judge Briggle to file a detailed statement of his expenses as liquidator of the Lincoln Casualty presented a full report of administrative expenses for the first year. These totaled $25,809 of $36,704 disbursements previously reported. The court refused Mr. Bailey's request that a recent order shutting off further expenditures be vacated. A previous order directing Mr. Bailey to liquidate certain bonds into cash for expenses has been vacated.

In his report, Mr. Bailey pointed out that when the Lincoln Casualty and two Springfield banks failed last year he sought specific instructions from Judge Burton, then sitting in the court. Larger items of the expense were approved, as well as Mr. Bailey's suggestion to remove the records from Springfield to Princeton, his home, to reduce rent and other expenses.

Many Payments Not Administrative

Income reported for the year ending March 31, 1928, was $36,735. The April disbursement report of $36,704, according to Mr. Bailey, included items totalling $10,894 not properly chargeable to the liquidator as administrative expenses but representing necessary payments made for obligations incurred prior to the liquidation, including payment of a $5,800 loan to meet current expenses, rent of $1,577, payment of $834 as the cash surrender value of an insurance policy and state taxes of $1,649 on stock, none of them administrative expenses.

There were 688 claims pending when Mr. Bailey took charge and other claims, not involved in these suits, were estimated by the liquidator to reach $55,929. Mr. Bailey informed the court that he felt that "some drastic action should be taken to compel payments" on claims due, and at his request ruling on the $83,900 claim of the defunct North Side State Bank was delayed pending further evidence against the allowance of the claim. The claim represents 839 shares of bank stock and represents the stockholders' liability assessment.

GLASS COMMITTEE SUBMITS FINDINGS

Body Completes Work of Studying Business with View to Making Rate Changes

REDUCTIONS FORESEEN

Revision Downward in All States Excepting New York Is Favored, According to Advance Reports

NEW YORK, July 11.—Having completed its study of plate glass insurance rates, the committee of company executives named at the general gathering of company directors in this city June 19, has submitted its recommendations to both the National Bureau of Casualty & Surety Underwriters and to the W. F. Moore rating service for review. It is understood the committee favors a reduction from existing tariffs in practically every state of the Union save New York, where a 16⅔ percent reduction was sanctioned as of May 1, and perhaps in certain other states where the loss experience has been unsatisfactory.

As a basis for its review the managerial committee used the statistics prepared by the National bureau and submitted at the general conference June 19. These figures included the premiums and losses of the plate glass writing companies holding membership in either of the rating bureaus for every state, the loss ratios being computed both on the premiums actually received and on those that would have been received under existing rates. The actuaries of the bureaus employed a factor which they felt would allow for the difference. An adjustment allowance of 3.4 percent was also used.

Computing Methods Vary

As has already been stated in these columns, no two companies use the same method in recording their expense element in the business, hence the bureau figures are not absolutely correct, though they are approximately so.

What the rate reduction finally will be for each state will depend on the

(CONTINUED ON PAGE 48)

Winners in Hartford Accident & Indemnity Prize Essay Contest



RICHARD CARY, Niagara Falls, N. Y.



E. KENNETH FRENCH, Hartford, Conn.



AUSTIN McELROY, Columbus, Ohio

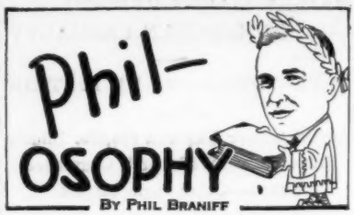
ALLARD JOINS STAFF OF BANKERS INDEMNITY

RESIGNS FROM THE GLOBE

Has Had Wide Experience in the Engineering and Inspection Side of the Business

Edward O. Allard, superintendent of the engineering and inspection department of the Globe Indemnity at its head office, will join the executive staff of the Bankers Indemnity at Newark, N. J., as assistant secretary. He is a graduate engineer. He completed the course at the Boardman technical school and then went to the Sheffield scientific school at Yale, obtaining the degree of bachelor of science in 1907. He engaged in general engineering work for railroads and large contractors. Later he became associated with the Bethlehem Steel Company in engineering and production work. He was on the staff of the Emergency Fleet Corporation during the war. He engaged in private engineering practice following the war.

In 1921 Mr. Allard joined the engineering staff of the Fidelity & Casualty. Later he entered the employ of the Royal Indemnity at its home office as director of safety. In January, 1925, he was appointed superintendent of the engineering and inspection department of the Globe Indemnity. He has made an exhaustive study of the casualty business from various angles. He is chairman of the engineering advisory board of the Newark Safety Council. He is also a member of the executive committee of the New Jersey street and highway conference and a member of the casualty council of the Underwriters Laboratories.



"Eulogy"

Written at the County Poor Farm

I watched a boy
A barefoot lad
With freckled face.
His blue eyes had
A dreamy stare
As if in fancy
He could see
The man that someday
He would be.
And as he turned
And ran to play
I sighed'n thought
Of Yesterday
When I, too, dreamed
Through sunlit hours
Of untold wealth
'N mighty powers.
With half closed eyes
I'd fish 'n dream
Besides a cheerful
Tumbling stream.
'N while in dream
I ruled so firm
The wily bass
Devoured my worm.

—

I watched a man
With hair of grey,
A barefoot boy
Of Yesterday.
His eyes were dimmed,
His back was bent,
His gait was slow,
His strength was spent.
His boyhood friends
Had long since gone
So, all alone,
He carried on.
I wondered as
He passed me by
If he had found it
Much as I,
And if upon
Some distant day
My hands would shake,
My hair would grey
And I would shuffle
Down the street
In search of cigar
Butts 'n meat.
'N as I pondered
O'er these things
Coal buckets, pitch-forks,
Gilded Wings,
Wondering
Why years were cruel,
Some 'Live Wire' swiped
My best renewal.
Dammit!

Fulton Appoints Agents

During his recent trip to the Pacific Coast G. R. Fulton, executive field secretary of the United States Casualty, made the following general agency appointments: Chapman & Nauman, San Francisco; Fred P. Canfield, Albuquerque, N. M.; Miller Butler Agency, Phoenix, Ariz.; Bowden, Gazzam & Arnold, Seattle, and Warren Griffith & Associates, Los Angeles.

Casualty Head to Resign

TORONTO, CAN., July 11—V. Evan Gray has announced his intention of withdrawing from the chairmanship of the Canadian Casualty Underwriters' Association and of the Canadian Automobile Underwriters' Association. He will, however, remain as counsel of these organizations and will engage in legal practice. Mr. Gray is a former superintendent of insurance of the Province of Ontario and prior to that was in the service of the Dominion government. He will probably remain in his present position until the end of the year.

HUDSON CASUALTY HAS MADE NEW APPOINTMENTS

SERVICE OFFICE IS OPENED

William C. Krumrey Made Assistant Secretary—H. W. Goll Holds Post of Assistant Treasurer

NEW YORK, July 11.—Important developments in the affairs of the Hudson Casualty of Jersey City are announced by Vice-President M. A. Kreps. They include appointment of William C. Krumrey as assistant secretary of the company with charge of its underwriting, the appointment of H. W. Goll as assistant treasurer in charge of accounting, and the appointment of William F. Poole as chief statistician.

A service office has been opened by the company in Philadelphia. F. E. B. Scott has been appointed resident vice-president in charge of business production in Pennsylvania. Mr. Scott was recently manager of the Philadelphia branch office of the Norwich Union Indemnity and has had extended experience in office and field work.

To Write Surety Lines

The United States Casualty, which recently announced its intended entry into the fidelity and surety underwriting field, in addition to general casualty lines, is now equipped for the new departure, the immediate management of which is in the hands of Charles E. St. John, for the past 15 years with the American Surety and prior thereto with the Title Guaranty & Surety of Scranton, Pa.

W. A. Levitt of Lethbridge, Alta., and Messrs. Weber Brothers of Edmonton, Alta., have been appointed to represent the United States Fire.

REINSURANCE EXCLUSIVELY

CASUALTY
FIDELITY AND SURETY
REINSURANCE

GENERAL
REINSURANCE CORPORATION

J. G. WHITE, *CHAIRMAN OF THE BOARD*

E. H. BOLES, *PRESIDENT*

80 JOHN STREET NEW YORK, N. Y.

Come On—
Let's Go Fishing!



"THE other day an agent said to me, 'Let's go fishing. People don't want to talk insurance now, it's too hot.' I replied, 'I *am* going fishing—but it will be for *business*. While you fellows are laying off I will be out casting for prospects. This is a mighty fine time of the year to sell personal accident protection, residence burglary and automobile insurance.'

"My experience has taught me that getting business is largely a matter of mental attitude. The fellow who thinks there is no business to be had usually lays down and doesn't go after it, but the man who believes he can find business regardless of conditions usually digs up enough to pay him well for his effort. Of course, this is equally true in any line of business.

"The motto we have adopted for our agency this summer is 'Let's go fishing for business!'—and it is gratifying to see commission accounts grow."

When agents look for the service spirit, they turn to the London Guarantee. Address the Agency Department for details.

Head Office 55 Fifth Ave., New York C. M. BERGER, United States Manager

London Guarantee & Accident Co., Ltd.

Indispensable!

Alert and progressive agents, who have acquired their knowledge of the business by years of experience, have kept pace with the growth of casualty insurance and have helped to promote it. The newly appointed and younger agents are entering upon a business which has become highly specialized and intricate. Their task is more difficult than that which confronted their forebears when the casualty business was in its beginnings. To meet this task, application and study are indispensable.—From The Bulletin of the United States Fidelity & Guaranty Company.

The National Underwriter Company,
420 E. Fourth Street,
Cincinnati, Ohio.

Gentlemen:

I recognize that application and study are indispensable if I am to become a master in my chosen field of work. I want to know more about your Sales Training Course in Casualty & Bond Underwriting. Send me, please, your 32 page booklet, "Income-Building-Knowledge" telling about this course. It is understood that sending for this booklet involves no obligation on my part.

Name .....

Company .....

Street .....

City ..... State.....

NEBRASKA GUARANTY FUND THREATENED

SUPREME COURT DECISION

Tribunal Declares Banks Taken Over Must be Disposed of Within Reasonable Time

LINCOLN, NEB., July 11.—Two recent decisions of the Supreme Court threaten to put an end to the plans under which the state guaranty fund commission has been operating failed state banks for the last four years. Finding that while the bank remained open it was possible to collect a larger percentage of the assets, the commission has been running banks thus taken over as long as two or three years before placing them in receivership. Now the court holds that the commission can have only a reasonable time in which to decide from its investigation whether the bank can be returned to the owners and operated by them or whether it shall be put into receivership. What constitutes a reasonable time, the court says, is a matter of fact and not of law, and that it can be determined only by the facts in each case. Meanwhile it is immune from levy of an execution secured by a judgment creditor.

The effect of the decisions is to subject the commission to suit within the average time the banks have been operated. C. M. Skiles, chief attorney for the commission, says that if the court stands by these decisions it will be necessary to close the 60 to 70 banks now being operated by the commission as going concerns. This would add nearly $10,000,000 to the guaranty fund deficit as it exists at present, and, Mr. Skiles says, increase the cost of collection and reduce the total percentage of collections.

Los Angeles' Crimes Reduced

LOS ANGELES, CAL., July 11.—According to a statement issued by the statisticians of the office of chief of police of Los Angeles all major crimes except robberies showed a decrease in the fiscal year just ended, in this city. Although fewer robberies and burglaries were reported here during April, May and June than in those same months in any years since 1921, there is an increase of 184 cases of robbery for the fiscal year 1927-28 over that of 1926-27, while burglaries decreased by 830. Auto thefts led the list of offenses with 10,806 reported last year, as against 11,461 the previous year. The drop in burglaries was about 20 percent, that in grand theft 7 percent and that of auto thefts 5.7 percent.

Edgar Entertainment Chairman

W. A. Edgar, vice-president of the United States Fidelity & Guaranty Company in charge of the agency department, has been appointed chairman of the entertainment committee of the casualty convention to be held at White Sulphur Springs, Oct. 2-4.

Disapprove Medical Protective's Rider

LANSING, MICH., July 11—In line with action which department officials understand has been taken in Iowa and is being considered in Massachusetts, the Michigan department last week formally disapproved a rider being distributed by the Medical Protective of Chicago and Fort Wayne, Ind., to its policyholders in this state.

The additional coverages contained in the rider, which would be attached to policies issued professional men to indemnify them against malpractice actions include assault, slander, libel, undue familiarity, anaesthesia and hallucinations, personal restraint, malicious prosecution, replevin of property or any other claims or suits for damages alleging breach of professional duties and against any claims for return of professional fees.

CLAIMANTS MAY BE PAID THE FULL AMOUNT

COMPROMISE ON SETTLEMENT

Claim of Federal Government Against American Bonding & Casualty Settled for $100,000

SIOUX CITY, IA., July 11.—All claimants with accounts against the American Bonding & Casualty which has been in receivership since January, 1921, will most likely be paid in full as a result of a compromise settlement effected of the $1,417,216 claim of the United States government against the defunct company.

The receiver will pay the federal government $100,000. Arthur B. Boel, admiralty counsel of the federal government, arrived in Sioux City today and this afternoon the compromise settlement was effected.

The disposal of the government case leaves Receiver W. F. Grandy with claims for some $400,000 unearned premiums and a few hundred thousand for unsettled losses. Judge Hamilton last November ruled that these two classes of claims should rank alike and should be preferred as against general claimants. This case, however, was appealed from Judge Hamilton's court to the supreme court and the ruling thereon is expected within a reasonable time. A dismissal of this case would enable the receiver to proceed with the closing of the receiver, but a decision from the higher court on these issues is desirable.

It is understood that after paying the government $100,000, to compromise the claims which it has prosecuted against the receiver, it will leave the latter available funds for paying all the current expenses of the receivership and settle all outstanding claims. It is not expected, however, there will be more than a pittance left for the stockholders, who put up something like $200,000 to get the company started.

More Fake Claims Uncovered

In the inquiry still being conducted by Justice Wasservogel of the Supreme Court of New York into accident claim making, further activities of ambulance chasing lawyers and their disreputable accomplices continue to be brought to light. The result of the exposures, it is hoped, will be to put an effectual quietus on professional claim makers and to relieve business houses and casualty writing companies of the payment annually of millions of dollars for fraudulent claims.

Files Airplane Suit

NEW YORK, July 11.—A suit to collect $75,000 from the Curtiss Flying Service has been filed by the father of Carl C. Stoll, Jr., who was killed when a plane crashed near the Curtiss field in April. The plaintiff charges that the plane was negligently and carelessly operated.

Auto Claims Up, Covered by New Rates

BALTIMORE, July 11—Automobile loss claims for the first six months of this year will show an increase over the corresponding period of 1927, according to Joseph S. Matthai, vice-president and manager of the automobile department of the United States Fidelity & Guaranty. The losses, he said, will be readily taken care of by the new rates which went into effect last December as well as by the increase in the volume of business this year.

Employers Liability in Wyoming

The Employers Liability has entered Wyoming. The territory will be under the supervision of John A. Terney, branch manager at Denver.

The Adanac Agencies of Saskatoon, Sask., have been appointed to represent the National - Liverpool Underwriters' Agency.

REMINISCENCES MADE BY HENRY M. BROOKS

(CONTINUED FROM PAGE 10)

ring to my long connection with the Hartford Fire, and the action taken by the stockholders, directors and officials at their annual meeting in Hartford, Jan. 2, 1928, at which meeting I was advised by the president that my long term of service (60 years) was commented upon. A resolution was passed reading as follows:

"RESOLVED: That on completion of 60 years active service as agent of the Hartford Fire on the part of Henry M. Brooks of Cleveland, this board desires to spread upon its records a minute, expressing its esteem for Mr. Brooks and its appreciation of the distinguished character of the services which he has rendered to the company. The president is hereby directed to telegraph to Mr. Brooks a message substantially in accord with the foregoing."

President Bissell's Greetings

And among my New Year's greetings was a telegram from the president reading as follows:

"By direction of the board of directors please accept following message: Officers and board of directors at meeting today tender hearty congratulations upon anniversary, with many happy returns of the day. Your long and distinguished record of service to the Hartford most highly appreciated."

What higher honor could one wish after so long a term of service than to have such a resolution passed and spread upon the records of the company to stand for all time?

Such action by the directors of the Hartford was very gratifying indeed. I naturally feel pleased that my long service should be so recognized. But the good wishes of you gentlemen, my friends and associates, with whom I have mingled during these many years past, comes closer home. Words fail to express my sincere appreciation of your kind words and best wishes for the future. The memories of this gathering will go with me through the remaining years of my life as a most pleasant recollection.

DEATH IS HELD ACCIDENTAL

Court Says Bandit's Shooting of Assured Is Covered Under Terms of Policy —Payment Ordered

In McCullough vs. Liberty Life, Supreme Court of Kansas, 264 Pacific 65, the plaintiff brought action to recover on an accident policy for the death of her hubsand. The insured was killed by a bandit during the course of a holdup of the office where he was employed.

The defendant denied the death was accidental within the terms of the policy. The trial resulted in a judgment in favor of the plaintiff. On appeal the higher court in affirming this judgment, said:

"Numerous other cases are cited supporting its theory, too many to here analyze. They were, no doubt, selected from almost a wilderness of cases in which varying facts and situations have been applied to varying principles. We think the better rule is that if one person intentionally injures another without misconduct on the part of the latter and unforseen by him, such injury as to the latter is accidental. * * * The judgment is affirmed."

Casualty Notes

The American Bonding of Baltimore has been licensed to operate in Oklahoma.

Paul Mannos of Cambridge, Mass., whose licenses were recently revoked by the Massachusetts insurance department, was convicted in the East Cambridge district court this week on complaints alleging larceny of collected premiums from the Globe Indemnity and the Massachusetts Plate Glass. He was fined $200 and took an appeal to the superior court.

Firemen's Loses Case in First Skirmish

(CONTINUED FROM PAGE 3)

stocks of its auxiliary companies was impaired under the New York law. It was this letter that brought out the tart reply from Deputy Gough.

Mr. Beha contends that when more than 50 percent of a company's surplus is tied up in stocks of insurance companies of a like kind, the assets in case of a catastrophe or depression become frozen and the company may find itself in an embarrassing state to sell securities and meet its obligations.

The question is one of the most important ones that has arisen in insurance department history.

John W. Davis' Contention

In the argument before the federal court John W. Davis, the constitutional lawyer, who appeared for the Firemen's, declared that the term "surplus" in the law did not mean the sum over and above capital and all liabilities, but it meant all resources over and above the minimum statutory requirement for licensing a company. If for example the state required $200,000 as its minimum for organizing a company then all resources over and above that constituted "surplus" within the meaning of the investment law of New York.

In view of the claim that Superintendent Beha of New York had arbitrarily discriminated against the Firemen's, the case could not be dismissed. The court denied the motion on behalf of the New York department to dismiss the case.

What Are Surplus Funds?

The court in its opinion held that "surplus funds" meant what is left after deducting capital, liabilities and unearned premiums, or at least so much of these as established actuarial experience would show to be reasonably sure to become absolute.

Regarding the constitutional rights of a superintendent to impose the law of New York on other state companies as to investments the court said:

"The second constitutional ground is that the statute, if it requires as a condition upon the grant of the plaintiff's license that it conform its investments in New Jersey to the provisions of the New York law respecting domestic corporations outside New York and thus to exercise an extra-territorial power. If so, then any other New York statute which subjected foreign insurance companies to the same regulations as domestic in respect of their solvency would be unconstitutional, unless it could be complied with by conduct taking place only in New York, which it seldom could. For example, a state might not prescribe the necessary proportion between the assets and liabilities of a foreign insurance company, or the amount of its cash capital, as a condition to its doing business within its border.

Western Union Case

"The authority for so extraordinary a proposition is thought to be found in cases like Western Union Co. vs. Kansas, in which a state statute levied a tax upon a foreign corporation based upon the value of its property elsewhere, and in cases in which local statutes prescribed the effect of contracts made beyond their borders. A similar instance is Fidelity & Deposit vs. Tafoya, in which the company was forbidden to employ non-resident agents to underwrite policies covering risks within the state.

Doctrine of State's Power

"The doctrine that a state's power to exclude foreign corporations is limited to constitutional conditions is indeed well settled, but its extension to such a case as this would not only result absurdly, but would deny its well recognized authority. Most states compel a foreign insurance company to make some deposit as a condition of doing business, and the necessary securities or funds are seldom already at hand within the state where the new business is to be done. This has been lawful for sixty years. Were it not, a state would be stripped of power to protect its citizens from the incursions of any irresponsible companies who might choose to prey upon them.

Might Become Intolerable

"Perhaps the power may be limited by the purpose and the fitness of the measure to accomplish it; but whether that be true or not, when so limited, it is not further circumscribed by the indirect effects of its operation. As we have said, scarcely any condition can be imposed touching the financial stability of a foreign corporation which will not involve some results elsewhere; it is enough that these be ancillary to the accomplishment of genuinely local purposes connected with the company's prospective business. Otherwise each state could set the standard of security for the rest of the Union, an intolerable limitation upon the autonomy of each community.

"The motion for a preliminary injunction is denied and the stay is dissolved. In view of the allegations in the bill of the defendant's arbitrary discrimination, it cannot be dismissed. Motion to dismiss denied."

To Go to Highest Court

Attorneys for the Firemen's have filed a motion for a stay of proceedings pending appeal to the United States Supreme Court. Regarding the case the company's attorneys issued a statement in which they said in part:

"The appeal of the plaintiff will be diligently prosecuted and will be presented at the next term of the United States Supreme Court, which convenes in October. It is evident that the litigation is still charged with dynamite as respects its potentialities, since carried to its logical conclusion in upholding the New York superintendent's interpretation of Section 16 of the insurance law it is evident that grave results may follow from the statutory court's decision.

Provisions Identical

"It is pointed out that under Section 16 of the New Jersey Insurance Law, which regulates the investments of the capital and surplus assets of New Jersey companies, no company is permitted to invest in any stock of a company which has defaulted in any of its dividend obligations for four out of five of the years immediately preceding the purchase of the stock. This provision of the New Jersey law is of exactly the same character as the provision which appears in Section 16 of the New York law, which limits the investment of New York companies in the stock of other insurance companies.

"It is safe to assume that no New York company in making its investments has considered itself bound by the provisions of Section 16 of the New Jersey law above referred to, and many New York companies licensed in New Jersey have investments in stocks of companies which fall under the prohibition in the New Jersey law. Thus if the New York department carries out its announced views it may result in the cancellation by the New Jersey department of licenses of all New York companies which hold stocks in violation of the New Jersey statute.

"Grave Hardships" Foreseen

"It is also pointed out that under the New York law New York life insurance companies are not permitted to own the stocks of other insurance companies and therefore the decision of the statutory court may result in grave hardship upon some of the Connecticut life insurance companies licensed to do business in New York, who, in turn, have large holdings in the stocks of other insurance companies.

"Counsel for the Firemen's entertain little doubt of their ability to multiply evidences of discrimination, which right is preserved under the statutory court's ruling."

Superintendent Beha was served with the notice of a hearing on a stay pending the appeal to the Supreme Court. The order, which was signed by Judge Learned Hand, was as follows:

"The plaintiff is informed and has reason to fear that the Superintendent of Insurance of New York will take immediate steps to exclude it from doing business in the state of New York, and it is of the utmost importance and vital to the interest of the plaintiff that any such action be postponed until after the hearing and the determination of the appeal. In the event the determination of the Supreme Court is adverse the plaintiff will at once conform its investments to meet the requirements of the New York law as thus finally interpreted or alternatively withdraw voluntarily from doing business in this state.

"The sweeping and far reaching effect of the decision of this court renders it mandatory that the questions presented be reviewed on appeal. In substance this court has held that foreign insurance companies doing business in New York are subject to the same regulations of their investment policies as New York companies. To my knowledge this is contrary to the accepted views of the insurance fraternity, and also to the established practice of the insurance department for the past twenty years. For example, the laws of New York forbid domestic life insurance companies to own stocks of any other companies. Notwithstanding this fact, many foreign life insurance companies owning such stocks are freely permitted to do business in New York. It is also a matter of common knowledge that many English and other foreign fire insurance companies have investments in casualty and fire companies far exceeding the limits for like New York companies, but in spite of this they have for years been permitted to do business in New York without question. If this epochal decision stands it will necessarily lead to many and far-reaching changes."

A stay of 30 days in which to enable the Firemen's to prepare an appeal to the United States Supreme Court was granted by Judge Learned Hand yesterday. Pending hearing and determination of the appeal Superintendent Beha is restrained from interfering with the operations of the company in New York state. It was further ordered that the plaintiff "upon the first motion day at the October term of the Supreme Court the company apply for a preference or ment of said appeal. Should such applithe setting of a day certain for the argucation be denied the defendant may, if in his judgment the public interest will suffer by the delay in the argument of said appeal, apply to this court for an order vacating or modifying this order."

Automobile Liability Case

Held that the question of duration of disability from brain concussion or other injury to the brain caused by a blow on the head, without displacement of the bone fragment, is one of science to be determined from the testimony of skilled and professional persons, and in action for damages by reason of such injury, the trial court is not warranted in submitting the question of the permanency of the injury to the jury as evidence by expert witnesses reasonably tending to show that such injury will be permanent. —Jones vs. Sechtem. Sup. Ct. Okla.

Director of National Surety

Howard Elliott, chairman of the board of the Northern Pacific Railroad, until his death on Sunday last, was a director of the National Surety and long took an active interest in the affairs of the company.

WORKMEN'S COMPENSATION

KANSAS LAW BRINGS RESULTS

Statute That Became Effective Year Ago Accomplishes Much That Framers Intended

The Kansas compensation law, which went into effect July 1, 1927, is accomplishing much that the framers intended. The law is getting payments to injured employes and their dependents promptly and is driving snitch lawyers from business. Not a single case has reached the Kansas supreme court thus far and less than a dozen appeals were taken to the district courts during the first year.

John Crawford, head of the compensation division of the public service commission, which has charge of administering the law, has compiled a statement of the work of the compensation division for the first year. It shows that 75.5 percent of all compensable accidents during the year were settled within the year. Under the old law the settlements were only 25 to 30 percent of the cases within a year.

There were 9,710 industrial accidents reported to the commission during the first year. Of these, 5,626 were compensable cases. The commission has received final receipts on 4,504 cases and the initial payments have been made in 454 cases where settlements have been agreed on and weekly indemnities started. Of the industrial accidents, 9,313 were temporary partial or temporary total; 73 fatal, six permanent total disability and 318 permanent partial disabilities. The average weekly wage in all cases was $27.76.

In the cases for which settlement has been made, the average payment of compensation was $97.11 per case and the average payments for medical attention and hospital bills and including funeral expenses in fatal cases was only $31.31 per case.

HEARING ON SCHEDULE HELD

Commissioner Baker of Kansas Will Consider Stock, Mutual Company Claims and Give Decision

TOPEKA, KAN., July 11.—William R. Baker, Kansas insurance commissioner, held a hearing in Kansas City last Saturday on the question of approval of the minimum premium and expense constant schedule of the companies writing compensation insurance in his state. The stock companies filed a schedule to be effective as of July 1 raising the minimum premium from 10 times the rate to 15 times the rate and the expense constant charge on each policy from $8 to $10.

After the filing the mutual companies protested the change in the schedule and the stock companies were directed to show why they desired the large increase in the minimum premium and the smaller increase in the expense constant charge. After hearing both sides, the commissioner took the schedule under advisement and is expected to announce his decision late this week, unless the companies and the employers file some additional information in the course of a few days.

The hearing on the compensation rate schedule which has been pending more than a year has been indefinitely postponed. Irwin Snattinger, one of the special inspectors of the department, is ill and was unable to attend the hearing scheduled for July 7. This was expected to be the final hearing.

The New York Indemnity announces the appointment of James B. Lyon of Bristol, Tenn., as general agent for surety business and the American Insurance Agency of Hazleton, Pa., as general agent for surety and casualty.

BOARD REJECTS NEW FORMULA

Minnesota Compensation Body Says Change Would Increase Premiums Over $150,000 Annually

The Minnesota compensation insurance board recently rejected proposals to change expense loading and the minimum premium formula on the grounds that proposed changes in rates and formulas would increase compensation insurance premiums from $150,000 to $200,000 annually. The existing rate making procedure for compensation insurance involves the distribution of expenses as a uniform percentage of the rate or premium. It was proposed to change a portion of the expense cost as a fixed amount per policy and derive the remainder, as at present, as a percentage of the premium.

The proposed fixed amount was $10 per policy and as an offset to the introduction of this expense constant, it was proposed to reduce the present expense loading of 40 percent to 37 percent, which would produce a uniform reduction of 4.8 percent in all rates. The proposed modification of the present minimum premium formula of 10 times the rate plus $8 was to use 15 times the rate and replace the $8 constant by a $10 expense constant.

"The board is not fully satisfied that the principle of applying a policy fee as a surcharge in addition to the usual premium is justified in any line of insurance," its memorandum says. "In any event the board feels that this principle should not be adopted in the first instance as an innovation in insurance rate making in a line of insurance which is practically compulsory such as compensation insurance in Minnesota."

PLAN IS CALLED INEQUITABLE

Jesse G. Read Points Out Unfairness of Placing Extra Burden on Small Insurance Buyer

OKLAHOMA CITY, July 11.—The alleged inequity of the plans of insurance companies for a 4 percent reduction in compensation insurance rates and a minimum policy fee of $10 to the small premium payer was pointed out by Jesse G. Read, insurance commissioner and president of the insurance board, in a recent interview. The 4 percent reduction proposition looks all right but the $10 fee imposed on the small premium payer does not seem fair, Mr. Read estimates that if the proposal advocated by the National Council on Workmen's Compensation Insurance of New York, representing all companies in making and filing compensation rates, is adopted it will mean the payment of more money by at least 75 percent of the compensation carriers of Oklahoma. The new rate would benefit about 25 percent of the employers carrying compensation insurance, who supply more than half the total premiums paid in the state, Mr. Read said.

The Oklahoma branch of the Associated General Contractors of America is urging the board to approve the new proposal, and protests have been entered by the Employers Association of the state.

The idea is splendid for the big buyer of compensation but not for the little buyer, the board president explained. "I am not in favor of adding to the premium burdens of the small buyer and taking them off the big buyer. From the standpoint of the insurance companies the total loss to them in premiums would be about $30,000 annually, but this saving and more would go to the big insurance buyers. Part of the load would be paid by the small buyers," he said. The insurance board will decide on the proposition on or before July 14.

The insurance commissioner suggested that all employers of the different groups work together to try to get a reduction in insurance rates for all classes of employers instead of for only a few classes.

Fix North Dakota Rates

Rates to be charged by the North Dakota Workmen's Compensation bureau during the coming year were fixed at a recent meeting of the compensation bureau commissioners and show an increase in the rates for 69 classifications. In some classifications bad loss experience during the last 12 months had created a deficit in the classification account and the increases were urged to make them self-sustaining.

In the rates for coal mining and a few other industries slight increases were made but the scale of premiums as a whole remained unchanged. Although no premium reductions were ordered, dividends were declared to certain industries because of small losses reported by them during the year.

Dividends were declared to firms included in 15 classifications, the dividends ranging from 10 to 30 percent. For the year ending July 1, 1927, 45 dividends were declared.

Rate Decision Postponed

OKLAHOMA CITY, OKLA., July 11—Whether or not the Oklahoma state insurance board will approve or disapprove the proposed 4 percent reduction in rates on compensation insurance is a question that probably will not be decided before the middle of July. At one time the board announced it would make a decision on June 29, but postponed the date to hear further from certain of the carriers on the matter.

Must File Detailed Reports

RICHMOND, VA., July 11—All companies writing workmen's compensation in Virginia must file with the industrial commission an individual report on each insured risk. This is the first attempt to be made by any state thus to secure specific data for rate making in connection with such insurance. The reports must show compensation and medical losses paid and incurred, together with the premium received and rate charged. This data is desired to enable the industrial commission to check the amounts against records kept by the state and compiled from individual accident reports received.

New York Ruling Made

The New York Industrial Board rendered a decision against the Fidelity & Casualty that is of interest. The company denied liability under a workmen's compensation policy where it had insured a contractor doing interior trim whereas the accident occurred while masonry work was being done on a scaffold outside the building. The ruling of the industrial board is that the exterior work is incidental and therefore within the coverage intended by both parties when the policy was written.

WITH BURGLARY UNDERWRITERS

GIVES DEFINITION OF TERMS

Attempt Made to Elucidate on Technical Meaning of Burglary, Robbery and Theft

There has always been some vagueness regarding the insurance definitions of the terms burglary, robbery and theft. The Independence Indemnity in an effort to make clear these technical terms has defined them as follows:

Burglary means a felonious, forcible entry into premises or into a safe, made through the use of tools, chemicals or explosives, of which forcible entry there must be visible marks at the place of entry.

Robbery means the taking of property from a custodian after bodily injuries have been inflicted on the person of the custodian, or else after he has been placed in fear of bodily injury. Robbery is also deemed to include an overt felonious act, committed in the presence of a custodian and of which he is actually cognizant at the time of its occurrence. As an example of this last inclusion let us suppose a custodian is walking down the street with a moneybag in his hand. A person rushes up to him, grabs the moneybag from his hand and runs away with it. There has been no threat of violence or any actual violence, but there has been an overt felonious act committed in the presence of the custodian and of which he was actually cognizant. The loss would be covered under a robbery policy. If, however, a custodian had a wallet of money in his pocket and it simply disappeared and was not there when he went to look for it, there would be no loss under a robbery policy. There would have been no violence inflicted, no threat of violence nor would there have been an overt felonious act committed in his presence and of which he was actually cognizant.

Theft Defined

Theft is the felonious taking of property either by simple sneak thievery, burglary or robbery. Theft covers losses only as respects property contained within private residences. Theft, as far as the insurance definition is concerned, would include a burglary loss, a robbery loss and in addition a simple sneak thievery loss.

More light is also thrown upon the hours of coverage for messenger and interior robbery and on payroll robbery policies.

The standard policy, at basic rates, limits the hours of coverage as respects messenger robbery insurance to apply from 7 a. m. to 7 p. m., and as respects interior robbery insurance from 7 a. m. to 12 midnight. In either case the hours may be extended upon payment of a small additional premium.

The standard paymaster robbery policy covers outside the premises from 7 a. m. until 7 p. m. and inside the premises for the full 24 hours of each day. The outside coverage may be extended for additional hours upon payment of a small additional premium.

Minneapolis Insurance Offices Robbed

MINNEAPOLIS, July 11.—Two insurance company offices were among the victims in a number of robberies here the past week. Thieves entered the office of R. B. Tomlinson & Son, district agents for the Travelers and pried open seven desks. They secured about $15 from a desk in a private office occupied by Mr. Tomlinson and his son, R. G. Tomlinson. The combination was also hammered from the vault but they failed to open it.

Safe robbers also entered the office of the Aetna Life in the McKnight building, pounded off the combination and made way with about $174 in currency. Detectives found a number of fingerprints at the Tomlinson office which they are attempting to identify.

ACCIDENT AND HEALTH

FEW WRITE GROUP POLICY

Some Companies Are Going After This Business Actively—Four Chief Institutions Have Advantage

There are not very many companies writing group accident and health policies these days. In the past a number of companies ventured into the field, but many of them have pulled away. The Travelers, Aetna Life, Metropolitan Life, Zurich General Liability, Washington Fidelity National and Provident Life & Accident seem to be the chief factors in the group field. These policies are largely written for industrial enter-

prises covering accident or illness that are excluded from workmen's compensation laws. Usually the concern makes the arrangement for the group policy allowing the employe to purchase a certificate, which, of course, is more reasonable than he could get in any other way. Some concerns pay part of the premium. As a general rule, however, industrial enterprises simply make the arrangements and allow the employes to purchase certificates if they desire. Some companies are pushing the group business very lively.

Companies writing group accident and health insurance find it advantageous to be linked up with group life insurance. The Travelers, Aetna Life and Metropolitan Life all write group life insurance, so that they can combine the three forms. The Zurich General Liability has an associate in the Sun Life of Canada and is using that for group life while the Sun Life people use the Zurich for group accident and health.

HAS CORRESPONDENCE COURSE

Time of Milwaukee Lessons Contain Information About Company, Policies and Salesmanship

MILWAUKEE, WIS., July 11.—A correspondence course for its agents, consisting of seven lessons covering the accident and health underwriting business, has been brought out by the Time of Milwaukee. The lessons contain information on the company, its policies and methods, and salesmanship. The lessons cover such subjects as the choice of life work, serving one's own needs and those of the community, studies from the rate book, the purpose of the accident and health insurance policies, prospecting, application blanks, selection of risks, conducting interviews and meeting objections, the close, collections, typical interviews, claims and the claim department, and meeting competition.

The first lesson has been sent out to the agents and the company reported that there was a 50 percent increase at the end of the first week after the lesson was received.

POLICY AS TO AVIATION

Pacific Mutual Life Outlines the Course It Will Pursue Under Its Accident Contracts

The Pacific Mutual Life outlines its accident policy covering aviation accidents. It says:

"The company will pay indemnity under its personal accident policies and under the accident portion of its disability policies (except so-called 'limited' policies) to the extent of the minimum amount provided in the policy for any loss specified therein resulting from injury sustained on and after July 1, 1927, while the insured is riding as a fare-paying passenger in a licensed commercial air craft provided by an incorporated common carrier for passenger service and while such air craft is operated by a licensed transport pilot and is flying in a regular civil airway between definitely established air ports.

"This extension shall not cover injuries sustained in any military or naval air craft or in any form of unlicensed aviation or travel, or while the insured is acting as a pilot or mechanic of any air craft.

"Nothing herein contained shall be construed as entitling the insured to recover under the double indemnity provision, if any, of the policy. Any aeronautical exclusion clause in the policy will apply in all of its terms except as above modified."

Policies referred to are all accident policies and the accident portion of disability policies, with the exception of the so-called "limited" policies. These limited policies are restricted coverage forms which were issued by the company some years ago and which sold for premiums of $5, $10 and $15 a year. While the company no longer issues these "limited" policies, some of them are still in force. The extension does not apply to the "limited forms."

Accidental total loss policies, the accident disability benefit feature of the "5 way" policy, non-cancellable policies, monthly premium policies, commercial policies and railroad policies are included.

There are in force policies issued several years ago which do not contain an aviation exclusion clause. Under such policies it is not necessary that any extension be made to cover the hazard specified.

The extension has been adopted by the company in blanket form and applies to all of the policies mentioned. In view of the fact that a comparatively small number of policyholders are interested in the coverage, riders indicating the extension will be issued only upon written request to the home office. The conditions under which the extension applies are set forth above, and coverage is not extended beyond these conditions.

Hospital Benefit Separate

The Great Northern Life in its revised policy is writing hospital indemnity separate from the regular policy. Hospital indemnity may be written in amounts from $50 to $300 per month at $8 for each $100 per month without regard to the amount of monthly indemnity. In this policy no hospital indemnity is paid unless the extra premium is arranged for to cover it. The policy to which it applies is a combined accident and health contract. For instance the premium on the leading policy is $60 for $5,000 principal sum and $100 monthly indemnity, up to age 50. If one desired hospital indemnity the extra premium would be $8, making the total $68.

The policy referred to is known as the "improved business men's disability policy with optional hospital indemnity." The hospital indemnity of course will be paid in addition to the regular monthly indemnity provided the assured is confined in a licensed hospital or sanitarium due to accident or illness. The policy under the hospital indemnity section provides for surgical benefits in addition to the monthly indemnity and hospital indemnity.

Gets Out Automobile Policy

The Continental Life of St. Louis has gotten out its new automobile travel and pedestrian accident policy. It covers injuries in the wrecking or disablement of a common carrier, including taxicabs and busses. It also covers the policyholder if he is struck or run over as a pedestrian by any automobile or horse drawn vehicle. It also covers the assured while a passenger in a private pleasure automobile or horse drawn vehicle. The premium for the first year is $13 and for the succeeding years $10. Weekly indemnity benefits are $50 if the policyholder is injured on a train, steamboat or steamship; $25 for total disablement from other accidents covered in the policy. The partial disability ranges from $25 to $12.50 a week.

Clubs Plan Joint Meeting

The Health & Accident Managers Club of Los Angeles has adjourned further meetings for the summer until Aug. 28, when a special meeting will be held to complete arrangements for the joint meeting with the San Francisco club on Sept. 22 at San Francisco.

The San Francisco H. & A. Club has also invited the Portland Club to meet with it Sept. 22, but it is not known yet whether the Portland men will attend.

Provident L. & A. in California

The Provident Life & Accident has entered California. Its railroad and ticket departments are already active there and preparations are under way for extending the company's other lines into that state. E. J. Placek of Seattle has been appointed general agent for the pay-order group department. His operations will center in the states of Washington and Oregon.

The Provident has announced a general modification of the health coverage in its disability policies, putting them on a more conservative basis, in line with the practice already adopted by a large number of companies.

Takes Over Peoples Mutual

The Illinois Mutual Casualty of Peoria has closed a deal whereby it has taken over the Peoples Mutual Casualty of Bloomington, Ill.

The Bloomington company was organized about a year ago and had over 1,000 policyholders who were paying about $20,000 per year in premiums. All these policyholders are being transferred to the Illinois Mutual Casualty policy forms and rates. This is the second company taken over by the progressive Peoria company within the last year.

Drury Is General Agent

Donald A. Drury has been appointed general agent of the Massachusetts Accident in Chicago. Mr. Drury has been in charge of the accident department of the Jay F. Chappell Company, which has had the general agency in Chicago, and succeeds to the general agency following the recent death of Mr. Chappell. The agency will be continued at the same address, 172 West Jackson boulevard.

Mr. Drury was one of the organizers of the Accident & Health Managers' Club of Chicago and is now serving as secretary of that organization.

New Life & Casualty Station

A new southern broadcasting station will be on the air within another month. The new station will replace one now operated by the Life & Casualty, but located in an ideal site just outside of Nashville. It will be more powerful than its forerunner.

Bhannigan Made Superintendent

E. J. Brannigan, one of the leading agents of the Chicago No. 2 district of the Washington Fidelity National, has been promoted to a field superintendency in that district.

Issues Newspaper Policy

The Travelers Mutual Casualty of Des Moines, is now issuing a $1 travel accident policy through newspapers on a subscription basis. The policy pays $1,000 for loss of life and stipulated amounts for certain accidents, with indemnity of $10 per week for 15 weeks is also featured by the policy.

Frank Groezinger is new business manager of the Commercial Travelers Mutual Accident of Utica, N. Y.

AMONG SURETY MEN

LOOSE UNDERWRITING FOUND

Companies Eager for Business Are Not as Cautious as Good Judgment Would Dictate

Surety men find that with the stiff competition in the business and more companies seeking bonds there is a tendency on part of some offices to be more lenient in passing on bonds, especially in case of reinsurance. The primary company may write a bond for an accommodation of an agent or broker which its better judgment tells is rather risky. It desires therefore to reinsure the bond down to a comparatively small amount. There is no trouble in getting reinsurance on such a bond, many of the companies seemingly taking the position that if the primary company accepts the bond, its judgment is good enough. The facts surrounding the writing of the bond by the primary company seem to be lost sight of. Inasmuch as there is such a contest for business, brokers and agents are taking advantage of the situation and are trading around when they find difficulty in securing a bond. They can find someone who will accept it. One surety man said the other day that he found there was more loose surety underwriting than at any time within his experience. He says this is particularly true in the case with

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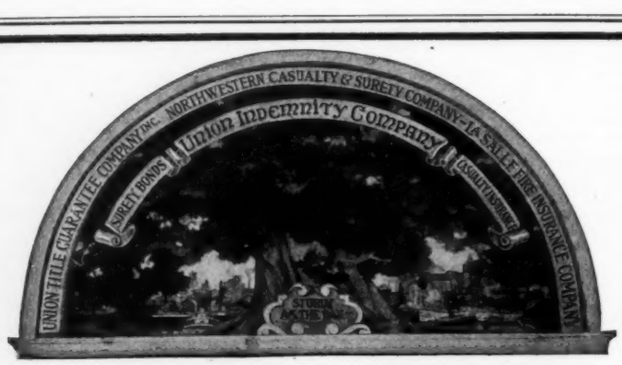
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contract bonds, where a lot of chances are now being taken.

COST SITUATION UNCHANGED

Recently Formulated Rules Have Not Gone Into Effect—Prominent Company Wants Equality

There has been no change in the acquisition cost situation at Chicago. The prominent New York City company that gave formal notice some weeks ago of its withdrawal from the governing conference insofar as Chicago is concerned, still maintains its position and expresses its determination so to do until all member companies in the agreement are placed on a basis of equality so far as agency representation in Chicago is concerned. It adheres strictly to commission and agency regulation and will continue to do so. Just so long as any of its competitors be allowed preferential treatment in the matter of agency representation, however, it will refuse to be bound by the limitation rule, declaring its unalterable attitude in this matter.

The same company, which recently resigned from the acquisition conference agreement in Kansas City, Mo., and Kansas City, Kan., as well, because of free violations by association companies of the brokerage rule, will likely rejoin the organization in the two centers named. Conditions complained of have very materially improved.

SPECULATIVE BUILDING PLAN

Enterprises of This Nature Seek to Get Completion Bonds to Guarantee the Project

In some of the large cities there is some speculative building going on. In recent years there have been professional promoters of club enterprises at work. An effort would be made to organize a club by securing enough memberships to finance it. There have been other buildings erected largely for the benefit of certain professions or occupational activities. In some instances the financial backing has been uncertain. There has been no definite financial group that is responsible. The completion of the enterprise depended very largely on the securing of memberships or business. Real estate bonds would be issued against these buildings. Investment houses in marketing them would find them dragging. There would be a deficit in sight. Therefore completion bonds would be sought. Surety companies have endeavored to shape up these enterprises so that completion bonds could be written with safety. However, there are some building projects now that look very shaky. Companies following sound underwriting principles are watching these cases very carefully when they are offered.

FURTHER INVESTIGATION ON REAL ESTATE BONDS

There have been from time to time investigations made as to the possibility of guaranteeing the principal and interest of real estate bonds by surety companies. This practice is followed in New York and other eastern cities with great success. In New York two or three companies have found this class very profitable. Outside of a few eastern cities the writing of these bonds has not been general. Some surety companies would take a spurt and write a few bonds. Often they would prove disastrous. There is an investigation now being made by some capitalists to ascertain whether these bonds can be written with safety. Experts are being sent to cities where real estate bonds are prevalent.

Highway Bond Rate $10 per $1,000

In advance of publication of a bulletin announcing rates on highway permit bonds in Illinois, the Towner Rating Bureau has wired to Timothy E. Dunne, who with Walter W. Steiner represented the Surety Underwriters Association of Chicago in its negotiations with the Illinois Highway Commission, as follows:

"Advise the association that the single or blanket highway permit bond rate is $10 per $1,000 for a five-year term, with minimum premium of $10."

July Tournament Date Set

Members of the Surety Underwriters Association of Chicago will hold their July golf tournament on the Lake Geneva course on the 17th. The course has been obtained for the members' use through the courtesy of C. W. French of the Royal. The players will travel to the lake and back by automobile.

PERSONAL GLIMPSES OF CASUALTY MEN

Bernal L. Tatman, president of the Reliable Life & Accident of St. Louis, had a narrow escape from death or serious injury when Mexican bandits attempted to bomb the passenger train on which he was a passenger. Mr. Tatman, on a pleasure trip to the southern republic, was homeward bound.

The train had stopped on a siding to permit another to pass. After an hour the engineer became suspicious when the other train did not appear. The engine went out on the main line and had hardly gone 100 feet when a terrific explosion occurred a few feet ahead.

Running back to the train, the engineer located another bomb under the sleeping car on which Mr. Tatman and 15 other Americans were passengers, and broke the wire, which led to the bandits' lair behind some bushes. Usually Mexican bandits place two bombs on the tracks, one for the engine and the other for the guards' car at the rear of the train. Apparently the second bomb was intended for the guards.

Reaching Queretaro, the party found that the southbound train had been bombed and derailed by bandits. The engineer and another person were killed and four passengers injured.

The many friends of **Henry J. Harder,** Chicago manager of the New York Indemnity, rejoice to see him back at his desk after he suffered a stroke the middle of May. Mr. Harder was confined to a Chicago hospital for some weeks and then went to Atlantic City to recuperate. He is back on the job hale and hearty and little the worse for wear. Mr. Harder is well known to casualty men because of his long experience in the business as a general agent at Pittsburgh and later in the field for the Globe Indemnity.

Francis P. Creden of Evanston, Ill., assistant manager of the Chicago branch office of the Massachusetts Bonding, dropped dead last week while riding with his wife on an elevated train in Chicago going to Evanston. Mr. Creden slipped from his seat and expired immediately. He came from a family of highly successful engineers. His brother, Will, is a consulting engineer at Butte. Another brother, Benjamin, is consulting engineer for the New York, New Haven & Hartford Railroad. Another brother, deceased, Thomas, was consulting engineer for the Samuel Insull interests. He has two sisters living, one in Boston and one in England. Mr. Creden himself was a graduate of Harvard and was 48 years old at the time of his death. He is survived by his wife and two sons, age 15 and 13 years. For a number of years he was in charge of the Edison Illuminating Company claims at Boston. He then went to Salt Lake City, Utah, and

took charge of the claims for the Continental Casualty. He also handled the claims for the Utah Copper Company and some self insurers. He was called to Chicago to take the position with the Massachusetts Bonding. He was a man of retiring temperament, urbane and refined. The interment was at Boston.

—

Frederick Richardson of Philadelphia, United States manager of the General Accident, sailed for Europe this week, accompanied by Mrs. Richardson and John C. Grady, manager of the New York City office of the company.

—

Someone jocularly asked **Morgan B. Brainerd,** president of the Aetna affiliated companies, whether he had a "fire works permit" on his policy for on Fourth of July several hundred dollars worth of pyrotechnic pieces were destroyed in his summer home at Fenwick, Conn., when a spark lighted among the supply. No damage was done and no one was injured.

—

Margaret M. Donovan, supervisor in charge of the dictating machine department of the Aetna Casualty, sailed on the Leviathan for a six weeks' trip abroad. Miss Donovan has been with the Aetna companies many years and during the war managed the company's extensive Liberty Loan division.

—

Miss Violet Thompson, chief underwriter of the Kansas City branch of the Aetna Life and affiliated companies, was elected national commander of the women's auxiliary of the Disabled American Veterans of the World War at the national convention held in Denver. A few hours later she sustained a broken ankle in a fall and is now at Mercy Hospital in Denver. She is commander of the Kansas City organization and headed the Kansas City delegation to the national convention. Miss Thompson was not a candidate for the national office, and her election was a surprise to her friends in Kansas City. Miss Thompson's four brothers served in the World War, and three of them were wounded.

—

Frank Ellsworth, superintendent of agencies of the Union Indemnity of New Orleans, has been made a vice-president of that company, but will continue his work as head of the agency force.

—

Funeral services were held July 7 for **Kenneth W. Cox,** of the Maryland Casualty at Minneapolis, who died July 4 after a short illness. Mr. Cox had been employed as chief auditor for the past 10 years.

CASUALTY EXECUTIVES WILL MEET PRODUCERS

BOSTON, July 11.—Casualty company executives will meet the general agents and brokers in this city this week for a general discussion of the acquisition costs and especially commissions on casualty lines. Casualty general agents throughout the state have been invited to attend the meeting in the morning at which time a committee of executives representing the companies entered in the state will also be present.

In the afternoon there will be an executive meeting of the company representatives. The meetings are a result of a controversy of long standing between the companies and the agents and brokers as to commissions on casualty lines, especially automobile liability, in this state.

Takes Over Peoples Mutual

PEORIA, ILL., July 11.—The Illinois Mutual Casualty with its home office here, has taken over the Peoples Mutual Casualty of Bloomington. The Peoples Mutual was launched a year ago and now has more than 1,000 policyholders. Premium income is $20,000 annually.

F. & D. OFFICIAL FAVORS IDEA OF RUNNING MATE

SEES TREND OF THE TIMES

E. R. Nuttle Declares that One Organization Can Easily Write All Classes of Insurance

BALTIMORE, July 11.—The handling of all lines of insurance would be beneficial to surety and casualty companies, according to E. R. Nuttle, production manager of the Fidelity & Deposit. He believes that companies in different lines could be operated economically and efficiently under one management and profits would be greater.

Mr. Nuttle recently returned from a trip to the west and in speaking of conditions dwelt on the number of consolidations that have taken place in every line of endeavor.

"Take a company writing surety business," said Mr. Nuttle. "It could also easily and economically write fire and casualty policies. The overhead would not be any larger, and the profits certainly would be greater.

"The trend of this country today is towards consolidations. Automobile manufacturing companies, railroads, banks and other businesses are combining, so why not insurance companies?

"Take the Fidelity & Deposit. We only write surety and burglary business, and if we wish, we could easily, with hardly any increased overhead, write casualty and fire policies. Many other surety and casualty companies could do likewise."

CAMPAIGN CONDUCTED FOR FORGERY BONDS

Howard W. Beardsley of Allen, Russell & Allen, general agents of the Hartford Accident & Indemnity at Hartford, has been particularly successful in a recent campaign for forgery business which he personally conducted. His methods are very interesting and are described as follows in the June issue of the "Hartford Agent."

In the first place he always carries in his pockets photostatic copies of a number of checks and drafts that were forged or altered. Mr. Beardsley has found it a decided advantage to be able to show these examples, for the individuals whose names are forged are well known to many local business men. It is perhaps too much to expect that a forgery policy can be sold on the first interview. Mr. Beardsley has found that it pays to confirm the information given in the original interview with a letter written immediately upon his return to the office. With this letter he encloses a sample policy.

Service Offices Made Branches

As a further progressive move by the Metropolitan Casualty, J. Scofield Rowe, the company's president, announces the elevation of the service offices at Harrisburg, Pa., and Milwaukee to the status of full fledged branch offices. Robert W. Hankee has been given the management of the Harrisburg branch. Howard D. Plimpton will manage the Milwaukee office. Each formerly was head of his respective service office and demonstrated his capacity for larger responsibilities.

Prodoehl Joins American Casualty

Paul J. Prodoehl has just been appointed state agent for Maryland for the American Casualty. Mr. Prodoehl is well known in the insurance field in Baltimore, having been engaged in the business for a number of years but due to illness was forced to retire several years ago. He has now regained his health and has opened an office in the American Building, Baltimore.

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GROWTH OF CASUALTY BUSINESS REVIEWED

(CONTINUED FROM PAGE 37)

the type of individual that was defined by Bill Nye as 'the obstacle which stands between the assured and immediate wealth.'

"This high-hat type of adjuster has been shelved. In his place has been appointed the type of adjuster who approaches each loss with the point of view that the only satisfactory loss adjustment is the one that is fair alike to the claimant and the insurance company. As a matter of fact, if there is any lack of balance it is more likely to be in favor of the claimant. Today, claims are more likely to be overpaid than underpaid.

"State insurance looms up every now and then as an issue in different parts of the country. However, there will be no great demand for state insurance on the part of the public as long as private operation is as efficient as at present and as long as the public has the proved results of lower cost under private protection."

Miss Violet Thompson, chief underwriter of the Kansas City branch of the Aetna Life and affiliated companies, broke her right ankle last week.

TRADE JOURNAL EDITORS MAKE BUSINESS SURVEY

(CONTINUED FROM PAGE 37)

try, save Ford, is going ahead of expectations and should finish the year about on a par with or better than 1927, with manufacturers much nearer the solution of the used car problem.

Wages Steady

"Editors in all lines report no important decreases in wages, some slight rises in specialized industries and individual shortage of highly skilled mechanics. Total payrolls, on the other hand, are considered a little below those of the first six months of 1927, due to more automatic machines.

"The editors are unanimous in reporting that the first six months of 1928 have been characterized by many desirable major and minor mergers, cooperative market-finding activities and intelligent control of production.

Building Industry Booms

"The building and construction industries are outstandingly booming. In dollar volume these industries are far ahead of 1927, which was the largest year on record.

"The electrical industry reports that the total production of electricity was about 9 percent greater for the first half of the present year than for the similar period of 1927. The railroads are credited with being efficiently operated and giving dependability and speed of service in freight shipments that surpasses all previous records, despite the fact that the volume of freight is somewhat less than that of 1926 or 1927.

"The rubber industry is reported to have suffered greatly since the first of the year.

Metal Manufacturing Improves

"The metal working industries have done considerable more new plant construction and new equipment buying, a condition which characterizes nearly all of the production industries of the country and efficiency of operation is generally conceded to be a trifle better than last year.

"In the mercantile field the volume of trade is slightly ahead of 1927, but bad spots are reported in the coal regions and western farm states. Department store stocks are reported to be somewhat smaller, and in some sections customers are complaining that stores are chronically 'just out.' Chain dry goods stores are making steady growth, as is group buying by independent department stores.

Oil Industry Stabilizing

"The oil industry is stabilizing its operations to bring crude oil production more nearly in line with the demand for refined products. A marked decrease in oil operations in all but newly opened fields has resulted.

"The lumber operations from the woods to the wholesale and retail lumber yards are gradually recovering from the depression of a year ago. The outlook is for higher market levels and more intensive sales promotion work, as well as a trend toward greater refinement of lumber products at the source of supply."

GLASS COMMITTEE SUBMITS FINDINGS

(CONTINUED FROM PAGE 39)

action taken by the governing organizations, but that revised figures will be issued about August 1 is a fair assumption.

While the great majority of the company officials favor a reduction in present tariffs, maintaining that the reduced price of plate glass warrants the reduction, the sentiment is by no means unanimous and the reform program if finally endorsed will be endorsed only after a spirited protest from some offices.

Fluctuating Prices Complication

One difficulty in connection with plate glass rate-making is the constant fluctuations in the price of plate glass. At present the cost of the product is lower than it has been for a long time, but there is no assurance that the manufacturers will not boost their figures any day, and perhaps to a substantial extent. Some underwriters feel that the rate-making system of their business should be elastic enough to follow quickly the fluctuations in the cost of glass, though whether this be feasible is a question. Rate revisions have always taken into account the cost of glass, but usually the new rates have been months behind the changes in the cost of the product.

Rate Making Over-Refined

Another point of criticism in the business is that rate-making is over-refined. Some managers fail to understand the need for wide differentials in charges in various zones in large cities, maintaining that the hazard does not materially differ, or at least not to the degree warranting the present rate variations. It is admitted that the risks in sections of the country susceptible to severe windstorms should pay higher figures for their indemnity than those exempt from such storms, and it is likewise conceded that the matter of population congestion, narrow streets and police protection are all factors that enter into glass hazards. But aside from these elements it is held the hazards of the plate glass business do not substantially differ in the various states.

The managerial committee appointed on behalf of the two bureaus to study the general question of rates was given wide latitude, being authorized to delve into the "50-50" policy; windshield insurance and related matters. A separate committee was named to take up the advisability and practicability of merging the two great plate glass rating organizations. This committee has not yet submitted its findings, and some time will doubtless elapse before it does.

To Investigate Compensation

A special committee will shortly investigate the operations of the workmen's compensation law in New Jersey, particularly with a view to medical practice, and is expected to recommend changes that will make for the elimination of methods that have been criticised and that will inure to the benefit of workmen legitimately entitled to compensation.

The Hartford Accident & Indemnity recently assumed $1,000,000 liability on securities that were being transferred from the Insurance Building at Olympia, Wash., to the safes in the new capitol building, a structure recently completed at a cost of over $7,000,000.

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We write Accident—Health—Auto Liability and Property Damage and Burglary Insurance.

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This column serves as a market place where insurance wants may be made known to thousands of interested insurance men.
Advertisements which are received before 5:00 P. M. Tuesday are inserted in the current issue.
"Opportunities" advertisements are $6.00 an inch for one insertion.

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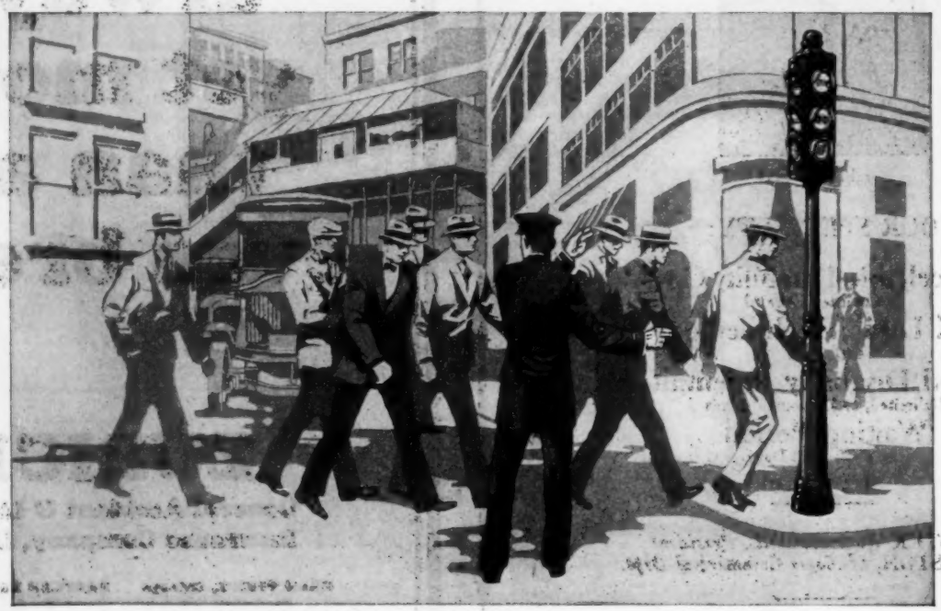
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